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HISTORY  
OF THE  
DEMOCRATIC PARTY ORAGNIZATION IN THE  
NORTHWEST.

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1824-1840.

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By  
HOMER J. WEBSTER, PH. D.,  
*Department of History,  
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NOTE.

In the preparation of this work the writer has received very helpful suggestions from Professor Frederic L. Paxson of the University of Wisconsin; while in every part of the work he has received invaluable assistance from his wife—Edith Francisco Webster. To both of these he desires to express here his hearty appreciation and gratitude.

PITTSBURG, PA., January, 1915.



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The material for this work has been gathered almost entirely from the files of contemporary newspapers where alone it was to be found. These have been used in the following libraries:

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Ohio State Library, Columbus.  
Young Men's Mercantile Library, Cincinnati.  
Cincinnati Public Library.  
Indiana State Library, Indianapolis.  
Indianapolis Public Library.  
Illinois Historical Society, Springfield.  
Chicago Historical Society.  
Detroit Public Library.  
The C. M. Burton Historical Collection, Detroit.

The best national paper on this subject was the *United States Telegraph* until the defection of the editor, Duff Green, in favor of Calhoun about the middle of 1831. Then the *Globe* was established and continued as the orthodox Administration paper. In Ohio, the best papers were the *National Republican* and *Cincinnati Gazette* at Cincinnati, the *St. Clairsville Gazette* in the eastern part of the state, and later the *Western Hemisphere*, which continued as the *Ohio Statesman*, at Columbus. These papers, too, represented three important centres of Democratic activity. In Indiana the situation in this respect was very similar to that in Ohio. There were first two active Democratic centres on opposite sides of the state, each of which had a good local paper, the *Indiana Palladium* at Lawrenceburgh and the *Western Sun* at Vincennes. Then later, August, 1830, came the establishment at Indianapolis of the *Indiana Democrat*, one of the leading Democratic papers in the Northwest. In Illinois, the best sources of information were found in the *Illinois State Register* published at Vandalia, and later at Springfield, the *Sangamo Journal* at Springfield, and the *Chicago Democrat*, established in 1833. The best Michigan papers were the *Detroit Daily Free Press*, the

*Niles Gazette and Advertiser*, and the *Niles Intelligencer*. Several of the editors of these Michigan papers had previously edited papers in New York state, the training school for Democratic organization.

Although most of the material has come from Democratic papers, the Whig papers have often been found a valuable check upon these sources. Much of the material used, however, has been of such a character as not to encourage flagrant misrepresentation and much of it could be found only in papers of the Democratic party.

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## CHAPTER I.

### BEGINNINGS OF PARTY ORGANIZATION (OHIO AND INDIANA).

The year 1824 was a turning point in the history of American political parties. The all absorbing party, if all the people may be said to constitute a party, which had unanimously supported Monroe in 1820, was then dividing into several groups, each of which supported its favorite candidate for the presidency on purely personal grounds. The congressional caucus also made its last appearance that year in nominating William H. Crawford for president. The next few years formed a transitional period from the felicitous days of the single, great, harmonious party of 1820 to the struggle between two rival descendants of that party. This division was based on personal grounds in 1824 and also in 1828. But as party lines became more clearly drawn, as in 1832 and 1836, and as the members of the two parties were called upon to give reasons for the faith or lack of faith that was in them, the divisions came to be based, or at least were supposed to be based, upon political principles. In order that these personal preferences and political principles might be effective it was necessary that the party which held them should be in power. This meant that it should win the elections and this in turn that it must be organized. In the old Northwest, Ohio, Indiana, Illinois, and Michigan, the Democratic or Jacksonian party led the way in this party organization by introducing the delegate and convention system. In 1824 the supporters of Jackson began to organize and by 1840 they became a well organized and unified party. It was largely by means of their organization that they gained control in 1828 and retained it until 1840. It is the purpose of this work to trace the early stages and the development of this Democratic party organization in the Northwest during this period, from its very beginning to the completely developed convention system, with its network of township, county, district,

and state meetings, and its various committees of vigilance and correspondence.

Ohio and Indiana first developed political party organization in the Northwest. Ohio, the older and more populous state, showed more political organization in local centres and preceded Indiana in this activity by a few months, yet by 1836 Indiana had developed a distinctly better centralized system. Illinois adopted less readily the delegate and convention system and was later in the development of its party organization, but from 1835 to 1840, it made rapid advancement along these lines, and by the latter date compared favorably with the older states. Michigan, although not admitted to statehood until shortly after the election of 1836, participated in that campaign just as the other states, and had developed a good party organization at that time.

*Early Steps Toward Organization, 1824.*

In Ohio, in the winter of 1823-24, there was much uncertainty and confusion concerning the choice of a presidential candidate. As a result of this, Jackson's name was presented in different connections as a candidate for vice-president as well as for president. Thus at a meeting of the citizens of Jefferson County, December 2, 1823, resolutions were adopted favoring De Witt Clinton for president and Andrew Jackson for vice-president.<sup>1</sup> Two weeks later a meeting of the citizens of Hamilton County adopted these same resolutions.<sup>2</sup> This meeting was divided in opinion, however, as to whether Jackson should not be its candidate for president instead of Clinton, but upon putting it to a vote, Clinton was supported by 450 to 330. These same nominations were made by the citizens of Geauga County in January, 1824.<sup>3</sup> By April, news was received which was considered unfavorable to the candidacy of Clinton and in consequence of this, the movement to promote his election was abandoned.<sup>4</sup> Another combination called the "People's Ticket," pub-

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<sup>1</sup> *National Republican and Ohio Political Register* (Cincinnati), Dec. 16, 1823; *Ohio Monitor and Patron of Industry* (Columbus), Jan. 3, 1824.

<sup>2</sup> *National Republican*, Dec. 19, 1823.

<sup>3</sup> *Ibid.*, Feb. 13, 1824.

<sup>4</sup> *Ibid.*, Apr. 1, 1824.

lished in a Cincinnati paper, proposed Adams for president and Jackson for vice-president.<sup>5</sup> This ticket was supported as late as June by a meeting in Washington County.<sup>6</sup>

The first meetings in Ohio which nominated Jackson for president appear to have been those held in Wayne and Adams Counties in March, 1824.<sup>7</sup> That the followers of Adams and Jackson were at that time just finding themselves is evident from the proceedings of the Adams County meeting.<sup>8</sup> Jackson and Adams were both considered for president but the majority favored Jackson and he was recommended; also an elector for him for that congressional district. County meetings were recommended throughout the state to take similar action. There was some discussion on the resolution to have the proceedings published as the voice of the county, but the majority favored it and prevailed, although the chairman and secretary were in the minority. The editor of the local paper, a Jackson man, suggested that the friends of Adams had the liberty to call counter meetings, and that he would cheerfully publish their proceedings.

This plan whereby a county meeting nominated the presidential elector for the congressional district was followed in a number of instances at this time. Meetings were held in Hamilton County in April<sup>9</sup> and in Washington County in May,<sup>10</sup> both of which pursued this method; both appointed committees of correspondence for their respective counties; and both recommended similar meetings throughout the state to nominate electors for Jackson. The Hamilton and Adams County meetings adopted in substance the preamble of a recent Philadelphia meeting which showed that they were somewhat in touch with political activities east of the Alleghanies.

A decided step toward united action was taken when a meeting of the Jackson committee of correspondence for Hamilton

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<sup>5</sup> *Cincinnati Emporium*, Apr. 1, 1824.

<sup>6</sup> *Ibid*, July 1, 1824.

<sup>7</sup> *National Republican*, Apr. 6, 1824.

<sup>8</sup> *Ibid*, Apr. 6, 1824.

<sup>9</sup> *Ibid*, Apr. 20, 1824; *Cincinnati Emporium*, Apr. 22, 1824.

<sup>10</sup> *National Republican*, May 28, 1824.

County on May 29, adopted the following preamble and resolutions:<sup>11</sup>

*"Whereas,* It has been suggested and recommended by several of the Jackson committees of correspondence in this state  
\* \* \* therefore,

*"Resolved,* That the friends and supporters of General Jackson in the several counties in the state of Ohio be requested to send delegates to a convention to be held at the town of Columbus, July 14 next, for the purpose of agreeing on two candidates at large for electors of president and vice-president; to fill all vacancies which may then exist in the general ticket for the state; and to adopt such other measures as may be necessary and proper to promote the election of the Jackson electoral ticket of Ohio.

*"Resolved,* That the editors and printers of Ohio be requested to publish the above for the information of the people."

In pursuance of this call, in the next six weeks there was a series of county meetings which appointed committees of correspondence, recommended electors for their respective congressional districts, and appointed delegates to the state convention.<sup>12</sup>

This convention met July 14 and agreed upon the sixteen electors for Jackson.<sup>13</sup> The delegates had been instructed in most cases whom to name for their respective congressional districts, so that the work of the convention was merely to confirm the nominations, supply any vacancy, and nominate the two senatorial electors. A committee of correspondence of three was appointed with power to fill any vacancies which might occur in the electoral ticket. This committee was requested to prepare and publish an address to the people of Ohio on the approaching election. There is evidence that this committee solicited and opened correspondence with similar committees in other states.<sup>14</sup>

During the summer and fall of 1824, the Jackson committee of correspondence of Hamilton County was very active. At a meeting on July 24, it was resolved that their stated meetings should be held at 3 P. M. on the first and third Saturdays of each

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<sup>11</sup> *National Republican*, June 1, 1824.

<sup>12</sup> *Ibid*, June, July, 1824; *Ohio Monitor*, July, 1824.

<sup>13</sup> *National Republican*, July 27, 1824; *Ohio Monitor*, July 31, 1824.

<sup>14</sup> *National Republican*, Oct. 1, 1824.



month until after the election.<sup>15</sup> This committee was repeatedly increased in number during that time. Beginning with fifteen members, it was gradually increased to one hundred and ninety-eight by the twenty-fourth of September, of which one hundred and twenty-one were from Cincinnati.<sup>16</sup> That the interests of the committee were not confined to Hamilton County is evidenced by their resolution passed on August 21, which read: "that it is the opinion of this committee that the persons appointed to publish the address of the convention at Columbus should immediately proceed to the publication thereof."<sup>17</sup> The secretary of the Hamilton County committee was Elijah Hayward, editor of the *National Republican* in Cincinnati, who was also chairman of the state committee of correspondence appointed at the state convention. This secured a close connection between the organizations of Cincinnati, Hamilton County, and the state. For a few weeks preceding the fall election the Jackson committees for each of the four wards of Cincinnati met "every Thursday evening at early candle-light,"<sup>18</sup> and several of the townships of the county were active in their support of Jackson, each having its committee of correspondence.<sup>19</sup>

The friends of Jackson in Franklin County were also taking steps to promote his election and had appointed a committee of forty-six for that purpose. The chairman called a meeting of this committee on October 25, just preceding the election, and recommended the township committees of the county each to appoint a delegate to represent them in this meeting and thus co-operate with the general committee of the county.<sup>20</sup> Electoral tickets favorable to Jackson were provided by the committee.

Viewing the situation generally at this time, while there was much activity in some local centres, it did not extend widely over the state. There were county meetings to elect delegates to the state convention and these also often nominated electors; but ex-

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<sup>15</sup> *National Republican*, Aug. 6, 1824.

<sup>16</sup> *Ibid*, Sept. 24, 1824.

<sup>17</sup> *Ibid*, Aug. 27, 1824.

<sup>18</sup> *Ibid*, Oct. 12, 1824.

<sup>19</sup> *Ibid*, June 11, 1824.

<sup>20</sup> *Ohio Monitor*, Oct. 9, 1824.

cept in preparation for the state convention, the delegate and nominating convention system had not yet appeared and there was little development in party organization. The committees of correspondence and the state convention for forming the electoral ticket were the chief contributions to party organization for the year 1824 in Ohio.

In Indiana there was also an organized effort to secure the election of Jackson in 1824. A meeting in Switzerland County in January, adopted the resolutions supporting Clinton and Jackson, passed by the citizens of Jefferson County, Ohio, already mentioned, and appointed a committee of nine to promote their election.<sup>21</sup> But in Indiana, as in Ohio, Clinton's name for the presidency was soon superseded by that of Jackson. During the first half of the year several county meetings were held to promote the candidacy of the latter, but each followed its own course and there was no concerted or general movement. A meeting in Clark County in May nominated a Jackson elector for the second judicial circuit and requested the friends of Jackson in the other four circuits of the state to do the same.<sup>22</sup> The citizens of Orange County held a meeting in July and nominated five Jackson electors for the state.<sup>23</sup>

By the last of July, however, advanced ground was taken by the editor of the Vincennes paper and by the Democrats of Franklin County. The editorial advocated a state convention for the choice of presidential electors.<sup>24</sup> "In Wayne, Dearborn, and Ripley Counties," wrote the editor, "candidates are continually coming forward. \* \* \* A general convention, county committees of correspondence, and township committees of vigilance will secure to us such a ticket as will produce unanimity \* \* \* and render success certain. I therefore seriously call on the friends of Andrew Jackson throughout the state to exert themselves in their respective counties to procure county meetings sometime in the month of August, and at such meetings to appoint delegates in proportion to their county representation in

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<sup>21</sup> *National Republican*, March 12, 1824.

<sup>22</sup> *Ibid*, June 11, 1824, quoting *Indiana Farmer*.

<sup>23</sup> *National Republican*, Aug. 10, 1824.

<sup>24</sup> *Western Sun* (Vincennes, Indiana), July 31, 1824.

the legislature, who shall meet in general convention at Salem \* \* \* in September, to nominate an electoral ticket in favor of Andrew Jackson and to make such other arrangements as the good of the cause may require." He also urged that the county meetings appoint county committees of correspondence of five, and township committees of vigilance of three members each. The previous day a meeting in Franklin County on the opposite side of the state, had resolved "that for the purpose of fixing upon a regular electoral ticket, the friends of General Jackson throughout the state are requested to call meetings, appoint committees or correspondence, and also delegates in the different counties to meet in convention at Salem, September 16, for the purpose of agreeing upon an electoral ticket."<sup>25</sup> This meeting appointed a committee of correspondence of three for the county and a delegate to this state convention, and nominated a state electoral ticket which it recommended for adoption. Similar meetings followed in other counties<sup>26</sup>, and on September 16, delegates from fourteen of them met in convention at Salem.<sup>27</sup> An electoral ticket was adopted and a state corresponding committee of three members appointed with power to fill vacancies in the ticket. This procedure was similar to that in the Ohio convention two months before. In both cases the electoral ticket was chosen chiefly from nominations previously made by county meetings and the state committees were alike in number and duties. The Indiana convention further requested the friends of Jackson to hold meetings and appoint committees of correspondence in those counties where this had not been done, and it resolved "that five hundred copies of the address to the people of Indiana, adopted by this convention, and three thousand of the electoral tickets be printed for immediate distribution."

The counties represented were well distributed over the southern, the settled portion of the state. Franklin and Dearborn Counties, which had both been very active in advocating the

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<sup>25</sup> *National Republican*, Aug. 24, 1824, quoting *Brookville* (Indiana) *Enquirer*.

<sup>26</sup> *Western Sun*, Aug. 21, 28, Sept. 4, nad 11, 1824; *National Republican*, Aug. 27, 1824.

<sup>27</sup> *Western Sun*, Sept. 25, 1824; *National Republican*, Oct. 5, 1824.



state convention and had appointed delegates to it, were not represented. This might easily have been due to the difficulty of travel before the days of railroads. The same reason might explain the fact that the state convention was held at Salem in south central Indiana, instead of at the state capital, Indianapolis, which was then on the northern frontier of the settled portion of the state.

While there was less political organizing activity in Indiana than in Ohio in 1824, this was chiefly because of its smaller population. The main difference in procedure in the beginning seems to have been that in Indiana the county meetings in some cases recommended a complete ticket of electors for the state, while in Ohio these meetings confined their recommendations to the electors for their own congressional districts. By the end of the campaign the two states arrived at practically the same position as to their Democratic party organization and both were in the initial stages. As to the results of the campaign of 1824, Ohio gave Jackson eighteen thousand votes,<sup>28</sup> Adams twelve thousand, and Clay nineteen thousand, so that its sixteen electoral votes were given for Clay; Indiana gave Jackson seven thousand, Adams three thousand, and Clay five thousand, thus giving its five electoral votes for Jackson. In the house of representatives the vote of Indiana was still cast for Jackson, but that of Ohio was turned to Adams.

*Development from 1825 to 1828.*

In the summer and fall of 1825 there were township and ward meetings in Hamilton County, Ohio, preparatory to a county convention to nominate a ticket for the fall election. A meeting in Sycamore township in August recommended that a delegation of three from each township of the county and each ward of Cincinnati meet in convention on September 10.<sup>29</sup> In pursuance of this recommendation delegates from five townships and one ward assembled and formed a county ticket.<sup>30</sup> They expressed approval of the delegate system as the best method to "prevent

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<sup>28</sup> Returns given in round numbers in this and succeeding chapters.

<sup>29</sup> *National Republican*, Aug. 23, 1825.

<sup>30</sup> *Ibid*, Sept. 13, 1825.

the few from imposing on the public by holding secret meetings to get themselves or friends into office." This county convention differed from the county meetings of the previous year in both Ohio and Indiana, in that it was composed of delegates chosen by township and ward meetings, and also in that its purpose was to nominate state and county officers rather than to prepare for a presidential election.

Individual nominations continued to appear in the columns of the press,<sup>31</sup> and a township meeting in Whitewater township, September 3, nominated another set of candidates for state and county offices.<sup>32</sup>

The year 1826 witnessed some further development in political party organization in Ohio. As early as February there appeared the following editorial on the "Delegate System" in the *St. Clairsville Gazette*,<sup>33</sup> which shows the situation in Belmont County at that time: "It is deemed proper to give public information that a large number of the citizens of most, if not all the townships have agreed to adopt the delegate system in nominating candidates for important public places. They have placed their names to an instrument which sets forth the advantages of that mode over the one generally used in this county, of individuals assuming the authority of nominating persons under the influence of private consideration. \* \* \* It is recommended that the citizens of each township elect at the approaching spring elections, two delegates with instructions to meet in St. Clairsville on the first Saturday of September to make nominations for the ensuing general election, appoint a committee of vigilance for the following year, etc."

In pursuance of this recommendation, some townships elected delegates at the spring election,<sup>34</sup> and these met, upon call, May 22, to nominate a ticket for the fall election.<sup>35</sup> As only ten delegates attended, representing five townships, they adjourned and called a second meeting for June 20, at which six townships were

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<sup>31</sup> *National Republican*, Sept. 20, 1825.

<sup>32</sup> *Ibid*, Sept. 16, 1825.

<sup>33</sup> *St. Clairsville (Ohio), Gazette*, Feb. 25, 1826.

<sup>34</sup> *Ibid*, May 13, 1826.

<sup>35</sup> *Ibid*, June 10, 1826.

represented.<sup>36</sup> The meeting being duly organized and "giving all the weight possible to the instructions of the people by whom they were elected," selected a ticket for state and county officers to be supported at the October election.

Thus far since 1824, there had been no mention of national motives in this local political organization although it had been developing in almost diametrically opposite centres in the state of Ohio. But in a Cincinnati paper of August 1826, there appeared the following:

"Jackson Notice."<sup>37</sup>

"Those members of the late Jackson committee of correspondence for the county of Hamilton who reside in Cincinnati, and those who may be in town from the country, are requested to meet at Colonel Mac Farland's Hotel near the Court House on Thursday evening, the twenty-fourth, at 7 o'clock, on business of importance.

Elijah Hayward,

Cincinnati, August 21, 1826. Late secretary to said committee.

"P. S. The above notice is given at the request of several members of said committee."

No record of this meeting appears but there is an account of a meeting of this committee, on August 31,<sup>38</sup> which called a meeting of those citizens of Hamilton County friendly to the election of Andrew Jackson to the next presidency, for September 12, for the purpose of adopting such measures as would promote that object. A committee of five was appointed to prepare and report to that meeting such resolutions as they might consider proper.

This meeting was held at the appointed time and the resolutions reported were adopted.<sup>39</sup> It appointed a committee of twenty members called the "Jackson Committee of Cincinnati," giving them power "to add to their number, to appoint subcommittees, to correspond with other Jackson committees throughout the Union and to do anything fitting to promote the cause of the

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<sup>36</sup> *St. Clairsville Gazette*, July 1, 1826.

<sup>37</sup> *National Republican*, Aug. 22, 1826.

<sup>38</sup> *Ibid*, Sept. 5, 1826.

<sup>39</sup> *Ibid*, Sept. 15, 1826; *Hamilton (Ohio) Advertiser*, Sept. 22, 1826

people in choosing their first executive officer. "On September 19, this committee was enlarged to the number of sixty-three, the members residing in Cincinnati and in the surrounding vicinity.<sup>40</sup> Five of them resided in the adjoining county of Clermont. Meetings of this committee were held every few weeks at the Marine Coffee House in Cincinnati. The next one was called for September 27, and at this meeting the committee expressed regret that more than one Jackson candidate should be supported for congress in this district and said that all efforts to unite the friends of Jackson on this subject had been unavailing; and believing that a considerable plurality of votes would be given to James Findlay for that office, and having full confidence in his abilities and his firm friendship for Andrew Jackson, they resolved to recommend the friends of Jackson to unite in support of James Findlay as the Jackson candidate for congress.<sup>41</sup> They also resolved that "to support any other Jacksonian as a congressional candidate for this district is calculated to injure the Jackson cause." A committee of five was appointed to prepare and publish an address containing the principles which induced this committee to support Mr. Findlay.

Warren County showed some political activity in support of Jackson in 1826. At a meeting of the citizens of Lebanon and vicinity, favorable to Jackson on September 16, a "Warren Jackson Committee" of ten was appointed, whose duty it was "to correspond with other committees or individuals on the subject of the presidential election, to draft and cause to be published an address to the people, and to take any other proper measures for the advancement of the Hero."<sup>42</sup>

In the spring of 1827 the field of political activity again widened in Ohio and there are records of about ten county meetings, in which steps were taken toward organizing the Jackson party by appointing correspondence committees for the counties and, in some cases, vigilance committees for the townships. These meetings were called together by notices in the local papers, often published at the request of some of the citizens, and some-

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<sup>40</sup> *National Republican*, Sept. 22, 1826.

<sup>41</sup> *Ibid*, Sept. 29, 1826.

<sup>42</sup> *Ibid*, Sept. 29, 1826.

times supplemented by circulars. It is fair to suppose that several of this series of meetings were stimulated by a circular issued March 29, by a select committee appointed by the Jackson committee of correspondence for Hamilton County.<sup>43</sup> This circular read as follows:<sup>44</sup>

"At a meeting of the Jackson Committee of Correspondence for the county of Hamilton on the twenty-first instant, the undersigned were appointed a select committee to open and continue a correspondence with similar committees and with friends of General Jackson in this and other states of the Union with a view to promote the elevation of that illustrious citizen to the next presidency. At the same meeting it was resolved to request the friends of General Jackson in the several counties of this state to hold meetings in their respective counties and organize committees of correspondence to promote the same object.

\* \* \* Nothing now appears to be wanting to secure to him the electoral votes of Ohio but a proper organization of his friends in the several counties and \* \* \* active exertions. With this prospect before us \* \* \* we earnestly request you to cause a meeting to be held in your county at an early period for the purpose of appointing a committee of correspondence and adopting such other measures as may promote the cause of the people. \* \* \* Should a meeting be held in your county we would recommend that the proceedings be published in some newspaper in your vicinity, and one copy of the paper containing such proceedings forwarded to the *National Republican* and to the *Cincinnati Advertiser*."

The supporters of Jackson were quite active in Belmont County at this time, and in pursuance of a call published in the local paper, about one hundred assembled in St. Clairsville, May 2, 1827.<sup>45</sup> After passing resolutions in support of Jackson, fifteen persons were appointed as a county committee of correspondence, and it was resolved that a copy of the proceedings of the meeting be forwarded to the friends of Jackson in Guern-

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<sup>43</sup> *National Republican*, March 20, 1827.

<sup>44</sup> *Cincinnati Daily Gazette*, Sept. 24, 1827.

<sup>45</sup> *United States Telegraph* (Washington, D. C.), May 17, 1827; *National Republican*, May 18, 1827.



sey County with a request that they hold a similar meeting. It would seem, however, that this suggestion was not very warmly welcomed by the Jackson men in Guernsey, for at their meeting, which was held in the town of Washington just ten days later, it was resolved, "that as this meeting has been called by the result of a voluntary and deliberate consultation of the citizens of this county, and that public notice was given previous to the meeting in Belmont, it has therefore been held \* \* \* independent of the instructions or solicitations of any man or set of men, and accordingly we will pursue an independent course, having no regard for the instructions of friends further than a mutual correspondence and an exchange of sentiment."<sup>46</sup> This Guernsey County meeting appointed a committee of correspondence of nine members.

In Montgomery County in the spring of 1827 there was some political activity and organization among the Jackson men, although unity and concert throughout the county seemed to be lacking and each meeting seemed to stand alone. Some of the townships led the way and the county followed. A meeting in Jefferson Township, April 11, appointed two members as a committee of correspondence "to cooperate and act in concert with similar committees in this state and throughout the United States."<sup>47</sup> Another meeting was held in German Township, May 4.<sup>48</sup> On May 11, the Jackson men of the county held a meeting at Dayton and prepared an address and appointed seven persons as a committee of correspondence.<sup>49</sup>

During the summer of 1827 there were a few meetings of the Jackson committee of Hamilton County, in Cincinnati, one of which on July 16, called a meeting of the citizens for the following day to discuss the tariff, which was attended by about one thousand persons.<sup>50</sup> In the fall the meetings of the committee became more frequent and there were meetings of the Jackson

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<sup>46</sup> *U. S. Telegraph*, June 19, 1827; *National Republican*, June 5, 1827.

<sup>47</sup> *U. S. Telegraph*, May 5, 1827; *National Republican*, May 4, 1827.

<sup>48</sup> *U. S. Telegraph*, May 5, 1827; *National Republican*, May 15, 1827.

<sup>49</sup> *U. S. Telegraph*, May 26, 1827.

<sup>50</sup> *National Republican*, July 17 and 20, 1827.

citizens in the different wards of Cincinnati.<sup>51</sup> Some of the modes of procedure were not as democratic as they might have been, for the Jackson committee of correspondence for Hamilton County appointed delegates to meet and form a ticket of candidates for the fall election. These delegates met and nominated a county ticket on September 1.<sup>52</sup>

At many of the county and township meetings amusing sentiments were expressed reflecting the partisan spirit of the time. In a Wayne County meeting which assembled in March to effect county and township organization, Adams was referred to as "a man whose political life has been too strongly marked by a vacillating policy on all subjects but that of an aristocratic opposition to the Rights of Man."<sup>53</sup> A resolution adopted by a meeting in German township, Montgomery County, in May, read thus: "Although General Jackson has not been educated at foreign courts and reared on sweetmeats from the tables of kings and princes, we think him nevertheless much better qualified to fill the dignified station of president of the United States than Mr. Adams."<sup>54</sup>

An editorial in the *Cincinnati Gazette* of that time on the fall election gives some interesting sidelights on party organization and seems on the whole a fair statement of the case.<sup>55</sup> It says in substance that, notwithstanding the attempts of the Jacksonians to mix up the presidential question with the local elections, this course has been taken in but a few counties. "In Wayne, Columbiana, Jefferson, Hamilton, Knox, Ross, and Belmont the presidential election, or Administration and opposition, forms the line of division. I have observed no other counties in which an avowed Jackson ticket is openly supported." The four counties first named — Wayne, Columbiana, Jefferson, and Hamilton — were active Jacksonian centres. The editorial continues: "I have no doubt that an open Jackson ticket has been made wherever it was thought prudent to make it;" that is, wherever

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<sup>51</sup> *National Republican*, Oct. 2, 1827.

<sup>52</sup> *Ibid*, Sept. 4, 1827; *Cincinnati Daily Gazette*, Sept. 13, 1827.

<sup>53</sup> *U. S. Telegraph*, Apr. 14, 1827, quoting *National Republican*.

<sup>54</sup> *U. S. Telegraph*, May 5, 1827; *National Republican*, May 15, 1827.

<sup>55</sup> *Cincinnati Daily Gazette*, Oct. 7, 1827.

success seemed probable. "In most of the counties there is a large number of candidates and many will probably be elected without receiving one-third of the votes actually given. It is easy in such cases for a small minority of Jacksonians, by acting in concert and keeping silent to elect their man."

The election in Hamilton County in the fall of 1827 illustrates this, except that the Jackson men were here in the majority in any case. The Administration party decided not to make a party ticket.<sup>56</sup> Just before the election there were several candidates for the assembly on the Administration side. "It is true", wrote the editor of the *Gazette*, "as is stated in the *National Republican*, that the unanimity which prevails among the friends of General Jackson, secures to the party the utmost fidelity and the strictest integrity. They have been disciplined into unanimity \* \* \* and they deserve to reap the benefit of this concert."<sup>57</sup>

As early as April 20, 1827, the citizens of Jefferson County favorable to the election of Jackson held a meeting which seems to have made the first suggestion of a state convention for 1828 to appoint electors for president and vice-president of the United States.<sup>58</sup> They resolved to "recommend to the friends of General Jackson in this state, in imitation of his early and faithful friends in Pennsylvania, the propriety of making arrangements in due season for a delegate meeting at Columbus on the eighth of January next, to be composed of so many from each county as such county sends senators and representatives to the general assembly." Organization was effected by appointing a corresponding committee of eighteen for the county and a committee not exceeding seven in each township.<sup>59</sup>

Within the two months following, several meetings made provision for sending delegates to the state convention. On May 10, a Jackson meeting in Columbiana County appointed five persons as a committee of vigilance and correspondence for the county and these in turn were required to appoint committees

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<sup>56</sup> *Cincinnati Daily Gazette*, Sept. 13, 1827.

<sup>57</sup> *Ibid.*, Oct. 17, 1827.

<sup>58</sup> *U. S. Telegraph*, May 10, 1827; *National Republican*, May 11, 1827.

<sup>59</sup> *St. Clairsville Gazette*, Apr. 21, 1827.



of three in each township.<sup>60</sup> All these committees together were to appoint four delegates to represent the county in the state convention. A Jackson meeting was held in Bath township, Green County, May 26, which appointed a corresponding committee of five members.<sup>61</sup> The meeting recommended and concurred in sending delegates from the different counties to the state convention and appointed Thomas Gillespie, Esq., of Xenia in another part of the county as a delegate to this convention. The fact that he had offered himself for this office in 1824 prompted his nomination. A Licking County Jackson meeting was held, June 11, at Newark.<sup>62</sup> A committee of vigilance and correspondence was appointed, consisting of thirty-five members and two delegates were chosen to the state convention.

During the fall preparatory to the state convention there are records of at least thirty county conventions. These were assembled by means of calls issued by Jacksonians in the local papers. In Butler County the convention was called by a preparatory meeting of the friends of Jackson.<sup>63</sup> In a few cases where a county committee existed, as in Belmont<sup>64</sup> and Hamilton,<sup>65</sup> this body called the convention. These county conventions appointed delegates to the state convention and formed county organizations, where such had not been formed, by appointing committees of correspondence for the counties. At the same time committees were often appointed by the county conventions for the townships, or the latter were requested to appoint such themselves. The committees both of county and township varied greatly in number and organization. The county committee was composed of three, five, seven, or more members, appointed without regard to the townships; or again it was composed of one or more members from each township of the county. When the county committee was formed without regard to the townships,

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<sup>60</sup> *U. S. Telegraph*, June 16, 1827.

<sup>61</sup> *National Republican*, June 15, 1827.

<sup>62</sup> *U. S. Telegraph*, June 28, 1827, quoting *Newark Advocate*; *National Republican*, July 6, 1827.

<sup>63</sup> *Hamilton Advertiser*, Oct. 20, 1827.

<sup>64</sup> *St. Clairsville Gazette*, Sept. 29, 1827.

<sup>65</sup> *National Republican*, Oct. 16, 1827.

committees were often appointed in the townships besides, or the townships were requested to appoint such themselves.

In Monroe County the members of the county meeting formed themselves into a society, called the "Monroe Jackson committee of vigilance."<sup>66</sup> In Belmont County the committee which had been appointed on May 2, called a convention on September 22, and this body increased the committee from fifteen to sixty and authorized it to appoint two delegates to the state convention.<sup>67</sup> This committee met November 24, and appointed three delegates to this convention,<sup>68</sup> and a central committee of five from their number as a correspondence committee, which was authorized and required to appoint township committees, whose duty it should be to maintain a regular, friendly intercourse with their fellow citizens, promote the success of Jackson, and communicate with the central committee.

Some of the county meetings appointed very large committees. In Pickaway the committee of vigilance numbered seventy-five.<sup>69</sup> The Franklin County convention appointed committees in each township aggregating one hundred and three members.<sup>70</sup> The Clinton County convention appointed a committee of correspondence of seventy-two members and a committee of vigilance of nearly one hundred, residing in different parts of the county.<sup>71</sup> The Brown County convention recommended the citizens of each township to meet and appoint committees of from three to twenty each.<sup>72</sup>

At the Franklin County convention it was resolved, "that we hold the press to be the best avenue through which calumny and misrepresentation can be refuted and correct information disseminated; that we earnestly recommend to the friends of Andrew Jackson in each and every township of this state to form a club

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<sup>66</sup> *St. Clairsville Gazette*, Oct. 6, 1827; *National Republican*, Nov. 13, 1827.

<sup>67</sup> *St. Clairsville Gazette*, Sept. 29, 1827.

<sup>68</sup> *Ibid*, Dec. 1, 1827; *National Republican*, Dec. 14, 1827.

<sup>69</sup> *National Republican*, Nov. 30, 1827.

<sup>70</sup> *U. S. Telegraph*, Dec. 8, 1827.

<sup>71</sup> *National Republican*, Dec. 25, 1827.

<sup>72</sup> *Western Aegis* (Georgetown, O.), Dec. 4, 1827.

and to subscribe to at least three of the leading papers favorable to his election to the presidency, which shall be deposited with one or more persons for the benefit of all the inhabitants of the townships without regard to their political sentiments;" also, "that five hundred copies of the address and resolutions be published and distributed throughout the state under the direction of a committee of five members."<sup>73</sup>

The number of delegates chosen to the state convention varied from one, as in the case of Scioto County,<sup>74</sup> to fifteen, as in Fairfield.<sup>75</sup> In several counties their appointment was left to a committee with discretionary power as to the number. In Ross County the township committees, together with the citizens of the townships, were to appoint as many delegates as they should deem advisable.<sup>76</sup> The delegates were regularly appointed directly by the county convention but in Monroe County a delegate was appointed by the committee of correspondence, as directed by the county convention.<sup>77</sup> The same method was followed in Belmont.<sup>78</sup> In Scioto County the joint committees of correspondence for the county and of vigilance for the townships were authorized to appoint one delegate,<sup>79</sup> and in Columbiana County the four delegates were appointed by a joint meeting of all the committees of the county and townships, together with the citizens of the county.<sup>80</sup>

The convention of delegates from the counties of Ohio, who were friendly to the election of Jackson, assembled at the court house at Columbus, January 8,<sup>81</sup> 1828. One hundred and sixty delegates attended,<sup>82</sup> representing fifty-four counties.<sup>83</sup> After

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<sup>73</sup> *U. S. Telegraph*, Dec. 8, 1827.

<sup>74</sup> *Western Times* (Portsmouth, O.), Nov. 15, 1827.

<sup>75</sup> *National Republican*, Dec. 11, 1827.

<sup>76</sup> *Ibid*, Nov. 13, 1827.

<sup>77</sup> *St. Clairsville Gazette*, Oct. 6, Nov. 17, and Dec. 15, 1827.

<sup>78</sup> *Ibid*, Sept. 29, Nov. 3, and Dec. 1, 1827.

<sup>79</sup> *Western Times*, Nov. 15, 1827.

<sup>80</sup> *National Republican*, Dec. 21, 1827.

<sup>81</sup> January 8 was chosen as the date for Democratic conventions in commemoration of Jackson's victory at New Orleans, Jan. 8, 1815.

<sup>82</sup> *U. S. Telegraph*, Jan. 19, 1828.

<sup>83</sup> *Ibid*, Feb. 7, 1828.

organizing, a committee of fourteen, consisting of one member from each congressional district, was appointed to consult with delegates from their respective districts, and recommend to the convention the names of sixteen persons for nomination as electors of president and vice-president of the United States at the next election.<sup>84</sup> Another committee of fourteen members was appointed to prepare an address to the people of the state, with suitable resolutions on the subject of the next presidential election and report the same to the convention. Pursuant to adjournment on the eighth, the convention reassembled January 9, and accepted the reports of these committees. The address filled nearly six columns of the newspaper and concluded with a column of a dozen resolutions,<sup>85</sup> one of which was:

*“Resolved*, That a committee of thirty-two be appointed by the chairman of this convention, consisting of two members from each congressional district and four at large, to act as a committee of observation and vigilance throughout the state until the final result of the next presidential election is known; and that such committee, or a majority of them, have power to appoint select committees either from among themselves or otherwise; and if considered expedient, to call a future convention like the present; and that they be required to present to the people, such information on the subject of the next presidential election as to them shall seem advisable; and that said committee have power to fill any vacancy that may occur in the electoral ticket or in their own body.”

This committee was appointed. It was further resolved that one thousand copies of the proceedings, address, and resolutions of the convention be published, and that two thousand copies thereof be published in German. A committee of three was appointed on publication.

Following the adjournment of this convention, January 9, another convention was held at Columbus to nominate a governor.<sup>86</sup> This convention consisted of many of the delegates to the first one, Jackson members of the legislature, and citizens of

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<sup>84</sup> *St. Clairsville Gazette*, Jan. 26, 1828.

<sup>85</sup> *Western Star and Lebanon (Ohio) Gazette*, Feb. 9, 1828.

<sup>86</sup> *Ibid*, Feb. 2, 1828; *U. S. Telegraph*, Jan. 24, 1828.

Columbus friendly to Jackson.<sup>87</sup> There were one hundred and two present from fifty-two counties.<sup>88</sup> One of the secretaries of the convention just held, Thomas R. Ross, was made chairman of the second convention,<sup>89</sup> and J. W. Campbell was nominated for governor. It would seem that this procedure was due to the fact that the delegates to the regular convention had not been instructed to nominate a governor, as may be seen from the proceedings of the county meetings, and hence they resorted to this second meeting.

On January 8, 1828, the supporters of Jackson in Indiana also held a state convention at Indianapolis for forming an electoral ticket for the state. As early as January 1, 1827, a Jackson meeting was held at Vevay, Switzerland County, which appointed a committee of correspondence for the county, provided that this committee should appoint a committee of vigilance in each township and requested the friends of Jackson in the several counties of the state to adopt similar measures.<sup>90</sup> But it was not until November following that steps were taken toward the state convention. On November 10, at a Clarke County Jackson meeting it was resolved "that this meeting consider it essential that a convention of the friends of General Jackson assemble at Indianapolis, January 8 next, for the purpose of nominating a Jacksonian electoral ticket and for other purposes; and that it is recommended that meetings be held in every county in this state as soon as possible and that delegates be appointed to act in concert, whereby a perfect understanding may exist and the whole force of the friends of the People's Favorite stand united and invincible." Whereupon two delegates to the convention and also a committee of correspondence for the county were chosen.<sup>91</sup> Following this meeting notices were published in different papers, calling for meetings to be held at the county seats on December 15, for the purpose of appointing committees of correspondence

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<sup>87</sup> *U. S. Telegraph*, Jan. 24, 1828.

<sup>88</sup> *Lebanon Gazette*, Feb. 2, 1828.

<sup>89</sup> *Ibid.*, Feb. 2 and 9, 1828.

<sup>90</sup> *National Republican*, Jan. 19, 1827.

<sup>91</sup> *Indiana Palladium* (Lawrenceburgh), Nov. 24, 1827.



and delegates to the state convention.<sup>92</sup> In Dearborn County a preliminary meeting was held on December 3, which called a second meeting for the fifteenth<sup>93</sup> at which a committee of correspondence of thirty-nine members was appointed for the county and six delegates were appointed to attend the state convention.<sup>94</sup> Similar meetings were held in various other counties such as Orange, Switzerland, Knox, Rush, Hancock, Henry, and Marion.<sup>95</sup>

The state convention assembled on January 8, and held sessions on the eighth, ninth, and tenth.<sup>96</sup> Thirty-seven delegates were present from twenty counties.<sup>97</sup> It was "resolved that those members of the legislature who have not been delegated to this convention but who are friendly to the election of Jackson, be admitted as members of this convention." Whereupon ten members were added, making forty-seven from twenty-five counties. A committee composed of two from each of the five judicial circuits of the state was appointed which prepared an electoral ticket of five members.<sup>98</sup> An address to the people of Indiana was prepared by a committee of five.<sup>99</sup> A committee of two delegates from each judicial district was appointed to advance the election of Jackson and to report to the convention the names of proper persons to constitute a central committee of correspondence and such other committees as might be deemed necessary throughout the state.<sup>100</sup> In accordance with their report a "committee of general superintendence" was appointed consisting of fifteen members, any five of whom had authority to act, whose duty it was to fill any vacancy which might occur

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<sup>92</sup> *Indiana Palladium*, Nov. 17, 1827; *Indianapolis Gazette*, Nov. 27, 1827.

<sup>93</sup> *Indiana Palladium*, Dec. 8, 1827.

<sup>94</sup> *Ibid*, Dec. 22, 1827.

<sup>95</sup> *Western Sun*, Dec. 8 and 29, 1827; Jan. 12, 1828; *Indianapolis Gazette*, Dec. 25, 1827; Jan. 1, 1828.

<sup>96</sup> *Indianapolis Gazette*, Jan. 9, 1828; *National Republican*, Jan. 25, 1828.

<sup>97</sup> *Indianapolis Gazette*, Jan. 15, 1828.

<sup>98</sup> *Ibid*, Jan. 15, 1828; *U. S. Telegraph*, Jan. 31, 1828.

<sup>99</sup> *Western Sun*, Jan. 26, 1828; *U. S. Telegraph*, Jan. 31, 1828.

<sup>100</sup> *Western Sun*, Jan. 26, 1828.

in the electoral ticket, to insure the circulation of correct intelligence among their friends in every county and to provide the funds necessary to defray such expenses as might be incurred; and to adopt or recommend such measures as to them appeared expedient.<sup>101</sup> The members of this committee were requested to hold their first meeting at Salem on February 22. The friends of Jackson were requested to organize committees of correspondence in their counties and as far as possible, committees of vigilance in their townships and to transmit the names of the members of such committees to the state committee at Salem. The delegations in the state convention were to act in concert with the committees of correspondence in their respective counties.<sup>102</sup> A committee of three was appointed on printing and was instructed to publish the address of the convention; also to contract for five hundred copies and to raise the means for this object.<sup>103</sup>

In both Ohio and Indiana the county meetings left the selection of the presidential electors to the state conventions of 1828 and made no recommendations as in 1824. In both states in 1827 there was some development in township organization and in a few of the stronger Jackson centres the presidential question became influential in local politics.<sup>104</sup>

### *The Campaign in 1828.*

In considering the development of Democratic party organization in Ohio in 1828, two features are conspicuous, the extension and prominence of township meetings and committees and the congressional district convention. Throughout the year there were township meetings which made organization in accordance with the suggestions of county meetings or county committees. In Belmont County township committees had been appointed by the central committee by March, 1828.<sup>105</sup> During the summer and fall of 1828 meetings were held in the different

<sup>101</sup> *U. S. Telegraph*, Jan. 31, 1828; *National Republican*, Jan. 25, 1828.

<sup>102</sup> *Indiana Palladium*, Jan. 26, 1828.

<sup>103</sup> *Ibid.*, Jan. 26, 1828; *Western Sun*, Jan. 26, 1828.

<sup>104</sup> *Indiana Palladium*, July 21, 1827; *Cincinnati Daily Gazette*, Oct. 7, 1827.

<sup>105</sup> *St. Clairsville Gazette*, March 15, 1828.

townships and the size of the committees was much increased, several numbering about two hundred, one nearly four hundred,<sup>106</sup> and the committees of eleven townships aggregating one thousand nine hundred and ninety-two. In the Smith township meeting it was resolved that the vigilance committee should include every Jackson man in the township.<sup>107</sup> In two townships of Hamilton County the organization extended to the school districts, each one being represented in the vigilance committees of the townships.<sup>108</sup> The plan of meeting at stated intervals was adopted by the central committee in Hamilton<sup>109</sup> and Franklin<sup>110</sup> Counties. The former met biweekly with the vigilance committees of the townships; the latter held monthly meetings with delegates appointed by the monthly meetings of the township committees.

The regular county convention, consisting of delegates appointed by township meetings, occurred in several instances during the year 1828. As already observed, Hamilton County had introduced this method in 1825<sup>111</sup> and Belmont had adopted it in 1826,<sup>112</sup> but as yet the plan did not generally prevail. One of these conventions was held in Warren County, August 16, all the townships being represented by seventy-four delegates.<sup>113</sup> Another was held in Hamilton County, August 23, attended by seventy-six delegates from the different wards and townships of the county.<sup>114</sup> Harrison<sup>115</sup> and Jefferson<sup>116</sup> Counties held similar conventions. These conventions and several county meetings<sup>117</sup> held during this summer formed county tickets.

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<sup>106</sup> *St. Clairsville Gazette*, Aug. 2 and 30, Sept. 13 and 27, Oct. 4 and 11, 1828.

<sup>107</sup> *Ibid*, Aug 30, 1828.

<sup>108</sup> *National Republican*, June 27, Aug. 3, 1828.

<sup>109</sup> *Ibid*, May 20, 1828.

<sup>110</sup> *Ohio Manitar*, May 24, June 28, and Aug. 6, 1828.

<sup>111</sup> See p. 13.

<sup>112</sup> See p. 14.

<sup>113</sup> *Lebanan Gazette*, Aug. 23, 1828.

<sup>114</sup> *National Republican*, Aug. 26, 1828.

<sup>115</sup> *St. Clairsville Gazette*, June 28, 1828.

<sup>116</sup> *U. S. Telegraph*, July 2, 1828.

<sup>117</sup> *National Republican*, Aug. 8 and 12, 1828; *Western Times*, Sept. 20, 1828.



There are records of congressional district conventions in most of the fourteen districts of Ohio in 1828.<sup>118</sup> In some of the districts, as in the first,<sup>119</sup> second,<sup>120</sup> and ninth,<sup>121</sup> the delegates were appointed by townships directly, at the suggestion of the county committees or county conventions. In other districts, as the third,<sup>122</sup> eighth,<sup>123</sup> and tenth,<sup>124</sup> delegates were chosen by county meetings or committees which were not based on township meetings. In at least two counties of the eleventh district, Harrison<sup>125</sup> and Jefferson,<sup>126</sup> the perfected system toward which all were tending was adopted, by which the delegates were sent by regular county conventions composed of regularly appointed delegates from township meetings. These congressional district conventions varied greatly in size and representation. In the ninth district the convention was attended by eighty-four delegates,<sup>127</sup> in the second by seventy-eight,<sup>128</sup> while in the third there were seventeen<sup>129</sup> and in the tenth only eleven.<sup>130</sup> Yet in the third district, six of the seven organized counties, and in the tenth district, three of the four counties, were represented. In the conventions most largely attended the delegations came directly from townships. In at least one of these conventions, that of the third district, there was appointed a Jackson corresponding committee of six members for the district.

The Democratic young men of St. Clairsville and vicinity in Belmont County met in August, 1828, and called a convention

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<sup>118</sup> *National Republican*, July 8, Aug. 5, and Sept. 2, 1828; *Ohio Monitor*, July 9, 1828; *St. Clairsville Gazette*, July 19, 1828; *U. S. Telegraph*, July 18 and Aug. 29, 1828.

<sup>119</sup> *National Republican*, May 27, June 17, 20, and 27, 1828.

<sup>120</sup> *Lebanon Gazette*, Aug. 23, 1828.

<sup>121</sup> *Ohio Monitor*, July 9, 1828.

<sup>122</sup> *National Republican*, Aug. 5, 1828.

<sup>123</sup> *Ohio Monitor*, June 21, July 5, 1828; *U. S. Telegraph*, June 30, 1828.

<sup>124</sup> *St. Clairsville Gazette*, June 28 and July 12, 1828.

<sup>125</sup> *Ibid*, June 28, 1828.

<sup>126</sup> *U. S. Telegraph*, July 2, 1828.

<sup>127</sup> *Ohio Monitor*, July 9, 1828.

<sup>128</sup> *National Republican*, Sept. 2, 1828.

<sup>129</sup> *Ibid*, Aug. 5, 1828.

<sup>130</sup> *St. Clairsville Gazette*, July 19, 1828.

of the young men of the county and appointed a committee to prepare an address.<sup>131</sup> This was one of the first of the movements of this kind which afterward became frequent.

Evidence is not wanting that the newspaper played its part in the campaign of 1828 in Ohio.<sup>132</sup> Early in March the central committee of Belmont County called a meeting in St. Clairsville to form a "Jackson Newspaper Club."<sup>133</sup> At the monthly meeting of the Jackson committee of Franklin County with the delegates from the townships, resolutions were passed for extending the means of information by encouraging subscriptions to newspapers and "a gratuitous circulation of them among the destitute."<sup>134</sup> In April the committee of Anderson township, Hamilton County, adopted the following preamble and resolutions:<sup>135</sup>

"Whereas, This meeting has been informed that in many parts of the state, especially in the northern parts and in the Western Reserve, the people are destitute of Jackson newspapers, and are weekly inundated with the filthy stuff that issues from the Ebony gazettes, in consequence of which they have no certain authority by which to contradict the base calumnies that daily issue from those venal presses,

"Resolved, That all those friendly to the cause who take Jackson papers, after perusal, be requested either to send them to this committee or enclose them to persons who they are confident will act faithfully, with the request to give them as wide a circulation as comes within the scope of their power and convenience.

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<sup>131</sup> *St. Clairsville Gazette*, Aug. 30, 1828.

<sup>132</sup> The following from an editorial in the *National Republican*, quoted in the *United States Telegraph*, Aug. 29, 1828, gives some idea of the personalities indulged in by the press at that time: "We learn with mingled feelings of disgust and indignation that Henry Clay, the celebrated traveling preacher and political missionary of J. Q. Adams, is expected in this city tomorrow on his grand electioneering tour through Ohio. \* \* \* It was earnestly desired by the real friends of our political institutions \* \* \* that this last insult to the state might be avoided."

<sup>133</sup> *St. Clairsville Gazette*, Mar. 8, 1828.

<sup>134</sup> *Ohio Monitor*, Aug. 6, 1828.

<sup>135</sup> *National Republican*, May 2, 1828.

"Resolved, That the several committees in the state, if they have not already adopted the above plan, be requested to take the hint from this."

That this anxiety for the Western Reserve was not without cause is shown by the fact that while there were eight administration papers in that locality, no Jackson paper was published there until midsummer, when David B. McLain launched one in Cleveland.<sup>136</sup> Early in July, 1828, there were said to be twenty-three Jackson newspapers in Ohio, while at the last election it was said that there had been but five out of fifty for him in the state.<sup>137</sup>

Occasional references are found to financing the campaign. At a meeting of the Jackson general committee for Hamilton County in May, it was resolved "that the several ward and township committees in this county be requested to appoint a fund committee in their respective wards and townships, for the purpose of receiving such contributions as may be given to promote the election of General Jackson, and that the same be paid over to the treasurer of the general committee of the county."<sup>138</sup> In Richland township, Belmont County, a Jackson meeting in September resolved, "that Mr. Marshall be appointed to receive the funds collected to pay for tickets and other incidental expenses connected with the presidential election, and to pay them out to the order of the Jackson central committee for Belmont County."<sup>139</sup> It was further "resolved that a committee of four be appointed to receive contributions from citizens of Richland township, to be deposited with the treasurer appointed by the foregoing resolution for the purpose therein specified."

Some insight into the machinery of elections is occasionally given. At a Franklin County Jackson meeting those in attend-

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<sup>136</sup> *Ohio Monitor*, July 30, 1828.

<sup>137</sup> *U. S. Telegraph*, July 21, 1828. James Heaton, commenting on the Democratic wave which was then sweeping over Ohio, wrote to Governor Allen Trimble: "The all devouring spirit of Jacksonism seems to have seized on all the faculties of the multitude." See *Old Northwest Genealogical Quarterly* (Columbus, Ohio), XI, p. 16, Selections from the Papers of Gov. Allen Trimble.

<sup>138</sup> *National Republican*, May 27, 1828.

<sup>139</sup> *St. Clairsville Gazette*, Sept. 27, 1828.

ance pledged themselves individually to bring forward every friend to the cause and to do all in their power to support the Jackson ticket at the ensuing election for county and state officers.<sup>140</sup> A notice in a Belmont County paper read:<sup>141</sup> "Jackson electoral tickets, printed by order of the central committee, can be had by township committees and others on application at this office. Neighboring counties can be supplied to any extent." At a Franklin County Jackson committee meeting it was resolved "that this committee consider the proposal of Moses Dawson, of Cincinnati, to furnish the Jackson committees throughout the state with tickets at fifty cents per thousand, an offer friendly to the cause of reform; and that this committee procure five thousand Jackson electoral tickets from him for Franklin County."<sup>142</sup> A Jackson meeting in Columbia township, Hamilton County, appointed a committee of ten to attend the polls at election and distribute tickets.<sup>143</sup>

In Indiana in 1828, the township meetings and congressional district conventions which were then so prominent in Ohio, were almost entirely lacking. On the other hand, the influence of the state convention and the activity of the state central committee in Indiana were much more prominent than in Ohio. This committee held several meetings and there are records of a series of county meetings which were due directly to the suggestion of the state convention and which made county and township organization as it had directed. Indeed the organizations in Indiana and Ohio were counterparts to each other, each supplying those elements which the other lacked. In Indiana the party was organized more from the centre—from the state conventions; in Ohio, from the local centres—townships and counties. The perfect system would be the combination of both.

The state central committee held all its meetings at Salem. The first was on February 22, as requested by the convention. The committee was increased by over a hundred members from all parts of the state and the chairman was authorized to add more

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<sup>140</sup> *Ohio Monitor*, Oct. 15, 1828.

<sup>141</sup> *St. Clairsville Gazette*, Oct. 18, 1828.

<sup>142</sup> *Ohio Monitor*, Sept. 10, 1828.

<sup>143</sup> *National Republican*, Oct. 7, 1828.

members at his discretion.<sup>144</sup> At this meeting the committee nominated John C. Calhoun for vice-president. On March 22, the committee held an adjourned meeting, only fourteen members being present from seven counties.<sup>145</sup> Nineteen new members were added. The committee appointed for that purpose reported an address on the presidential election which was adopted and four thousand copies were ordered to be printed and circulated among the different counties of the state.<sup>146</sup> Several more meetings of the committee were held through the spring, summer, and fall and another address was published by it in October.<sup>147</sup>

The records of county and township meetings in Indiana in 1828 are meager, although as stated, a number of counties held meetings which appointed county and township committees in pursuance of the recommendation of the state convention.<sup>148</sup> At successive meetings in Manchester township, Dearborn County, the desire was expressed to exclude the presidential question from state politics.<sup>149</sup> Just preceding the fall election committees were appointed in each township of Dearborn County to see that a sufficient number of tickets was provided at the polls.<sup>150</sup>

In both Ohio and Indiana there are traces of outside influence bearing upon the campaign of 1828. The Ohio central committee of correspondence wrote to the editor of the *United States Telegraph*: "Your circular has been gladly received. Assure yourselves of our faithful coöperation."<sup>151</sup> This suggests that campaign literature from Washington was used in Ohio. Like-

<sup>144</sup> *Western Sun*, Mar. 15, 1828.

<sup>145</sup> *Indiana Palladium*, May 3, 1828.

<sup>146</sup> This address was published in the local papers of the time, such as the *Western Sun*, Apr. 26 and the *Indiana Palladium*, May 10, and although it filled a page in these papers it contained only the usual campaign material.

<sup>147</sup> *Western Sun*, April 26, July 19, Oct. 4, 1828; *Indiana Palladium*, Nov. 1, 1828.

<sup>148</sup> *Indiana Palladium*, Mar. 15, May 3, June 28, Oct. 25, 1828; *Western Sun*, May 31, 1828; *National Republican*, Apr. 4, May 6, July 18, 1828; *Indianapolis Gazette*, Oct. 16, 1828; *U. S. Telegraph*, July 25, 1828, quoting *Cincinnati Republican*.

<sup>149</sup> *Indiana Palladium*, Mar. 15, May 3, 1828.

<sup>150</sup> *Ibid*, Oct. 25, 1828.

<sup>151</sup> *U. S. Telegraph Extra*, No. 28, Aug., 1828.



wise there is evidence that Indiana was well supplied with free Jacksonian literature from other quarters.<sup>152</sup>

The election gave a majority for Jackson in both states. In Ohio the returns were sixty-seven thousand against sixty-three thousand;<sup>153</sup> in Indiana they were twenty-two thousand against seventeen thousand.<sup>154</sup> In the congressional election in Ohio in 1826 only four of the fourteen districts of the state had elected Jackson men. In 1828 Jackson congressmen were elected in eight districts.<sup>155</sup> These districts formed the east-central and southwestern parts of the state and in all but one, if not in all of these, Jacksonian nominating conventions had been held. In Indiana only one of the three congressmen elected was a Jackson man.<sup>156</sup> This was in the first or western district of the state in which the congressional elections were always closely contested. The Adams candidates together received a majority of five thousand five hundred.<sup>157</sup> In the local elections both states supported administration governors<sup>158</sup> and legislatures.<sup>159</sup> In other words these state elections were not conducted on strictly national party lines. The legislature of Ohio elected an Administration candidate to the United States Senate, though the majority was small.<sup>160</sup>

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<sup>152</sup> *Lebanon Gazette*, June 7, 1828, quoting *Indiana Palladium*.

<sup>153</sup> *Ohio State Journal* (Columbus, Ohio), Nov. 20, 1828.

<sup>154</sup> *Indiana Palladium*, Dec. 6, 1828.

<sup>155</sup> *Ohio State Journal*, Oct. 23, 1828; *Niles' Register* (Baltimore, Md.), XXXV, p. 148.

<sup>156</sup> *Niles' Register*, XXXV, p. 45.

<sup>157</sup> *National Intelligencer* (Washington, D. C.), Oct. 23, 1828.

<sup>158</sup> The regular Jackson candidate for governor of Indiana in 1828, I. T. Canby, was opposed by James B. Ray, who had been an Administration man but now claimed to be neutral and was elected. See *Lebanon Gazette*, July 26, 1828; also *Niles' Register*, Nov. 1, 1828, quoting *Indianapolis Gazette*. Ray later became an avowed supporter of Jackson. See *Globe* (daily) (Washington, D. C.), Dec. 24, 1831, quoting *Indiana Palladium*, Dec. 10, 1831.

<sup>159</sup> *Ohio Monitor*, Dec. 24, 1828; *U. S. Telegraph*, Sept. 10, 1830.

<sup>160</sup> *American Annual Register* (New York), III, Domestic Occurrences, p. 157.



## CHAPTER II.

### SOLIDIFYING THE ORGANIZATION (OHIO AND INDIANA).

#### *The Period from 1829 to 1832.*

After the campaign of 1828 political party activity naturally subsided and until preparations were resumed for another presidential election the Jacksonian Democracy was comparatively quiet in the Northwest. The organization attained in 1828 was not brought into active use generally and became somewhat dormant. Certain active centers endeavored to maintain their organizations, but in general there was little in this interval to claim attention.

Just after the presidential election, editorial cautions to Jacksonians appeared in some papers urging them to remain well organized.<sup>1</sup> In pursuance to a call by the Democratic central committee of Belmont County, Ohio, a large meeting was convened in St. Clairsville in March, 1829.<sup>2</sup> R. H. Miller addressed the meeting in behalf of the central committee, urged the necessity of unity of action, recommended a reorganization and tendered the resignation of the committee. It was resolved "that the organization of the Democratic party, which has proved so beneficial for the last two years, be continued." Whereupon a new central committee of five was appointed for the ensuing year, which in turn appointed township committees of two throughout the county.

While the United States Circuit Court was in session in Columbus, a Jackson meeting was held there in July, 1829, which prepared an address recommending conventions of delegates in the respective counties to be held as early as possible, as the best mode of uniting the party at the approaching October elections.<sup>3</sup>

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<sup>1</sup> *Ohio Monitor*, Nov. 28, 1828, quoting the *People's Press*.

<sup>2</sup> *St. Clairsville Gazette*, Mar. 14, and May 16, 1829.

<sup>3</sup> *U. S. Telegraph*, July 31, 1829, quoting *Ohio Monitor*; *Ohio State Bulletin* (Columbus), July 29, 1829; *Western Times*, Aug. 8, 1829.

About the same time the Jackson executive committee of Cincinnati issued a circular to the Jackson party in the State of Ohio, urging it to form a legislative ticket for the October election.<sup>4</sup> "Every county," said the *State Bulletin*, "is expected to make a regular convention nomination," and this was done in many counties.<sup>5</sup>

During the spring and summer of 1830 more activity was shown in Ohio, because of the congressional and gubernatorial elections. In February a Democratic meeting was held at Columbus which recommended the electors throughout the state to meet at their respective county seats and choose as many delegates as they were entitled to members in the most numerous branch of the legislature, to attend a state convention to be held in Columbus, July 12, to nominate a suitable candidate for governor.<sup>6</sup> Only thirty-four counties or about half of those then in the state responded to this call by holding meetings and sending thirty-eight delegates to the convention.<sup>7</sup> Among the resolutions drafted by the convention was one to the effect that they heartily joined their "brethren" of Pennsylvania and New York in the hope that Jackson would again yield himself as a candidate for the presidency. A central committee of correspondence was appointed consisting of seven members, which published an address to the people of the state.<sup>8</sup> During August and September a series of county meetings was held for the purpose of forming tickets for the fall elections. Some counties were quite active and showed good organization, such as Belmont, Fairfield, Franklin, Delaware, Muskingum, and Hamilton. In such counties candidates were nominated by regular conventions composed of delegates from the townships, and there were county and township committees. The Muskingum County convention appointed between three and four hundred upon the committee of vigilance for the

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<sup>4</sup> *Ohio State Bulletin*, Aug. 19, 1829; *U. S. Telegraph*, Aug. 7, 1829, quoting *National Republican*.

<sup>5</sup> *Ohio State Bulletin*, Aug. 12 and 26, 1829.

<sup>6</sup> *Western Times*, March 4, 1830, quoting *Ohio State Bulletin*, Feb. 24; Ohio elected a governor every two years.

<sup>7</sup> *Ohio Monitor*, July 14, 1830.

<sup>8</sup> *Ohio State Bulletin*, Sept. 22, 1830.

county.<sup>9</sup> In Franklin County the committee of vigilance prepared and published an address to the electors of the county and distributed one hundred copies of it in each township.<sup>10</sup> While this committee approved the nominations which had been made by the party for governor and for congressman in that district, concerning the state legislature the committee expressed themselves thus: "We cannot say anything in allusion to a candidate for representative in the state legislature. The views and intentions of the Republican party are not yet fully settled on this subject and we have no individual in particular to whom we can direct attention at this time. At a future period the preferences of the party may be more particularly defined." This indicates that in local matters in Franklin County, party lines were not then clearly drawn. But in Hamilton County, a full Jackson ticket for state and county offices was prepared by a convention composed of duly appointed delegates from most of the townships of the county and wards of Cincinnati, and it was resolved that "no person will be considered a candidate for any office by this convention who will not pledge himself either in writing or by his friends present to abide the result, and to agree to support the entire ticket nominated by the majority."<sup>11</sup> It was further resolved that all the delegates attending the convention should act as committees of vigilance at the ensuing election in their respective townships and wards.

The congressional district convention was much less in evidence than in 1828. Perhaps the most interesting was that of the eighth district which was first appointed for Sunbury, Delaware County, June 8;<sup>12</sup> then for Newark, Licking County, August 7;<sup>13</sup> and finally an adjourned meeting was held at Mt. Vernon, Knox County, August 21.<sup>14</sup> This shifting seems to have been due to lack of attendance until finally all the counties of the district were

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<sup>9</sup> *Ohio State Bulletin*, Aug. 25, 1830.

<sup>10</sup> *Ibid*, Sept. 22, 1830.

<sup>11</sup> *National Republican*, Sept. 3, 1830.

<sup>12</sup> *Ohio State Bulletin*, Apr. 21, 1830; *Ohio Monitor*, June 2 and 9, 1830.

<sup>13</sup> *Ohio Monitor*, July 14 and 21, 1830.

<sup>14</sup> *Ohio State Bulletin*, Aug. 25, 1830; *U. S. Telegraph*, Sept. 3, 1830.

represented at Mt. Vernon. The mode of procedure in calling the district convention was for a county meeting to take the initiative and propose it, suggesting a time and place and the other counties of the district would then hold meetings and fall in line by appointing delegates. In Fairfield County two delegates were appointed from each township to attend the convention of the ninth congressional district,<sup>15</sup> but in the eighth district the counties had sent from three to four delegates each to the convention. The Delaware County meeting had suggested three from each county,<sup>16</sup> while the Coshocton County meeting favored twice the number to which each county was entitled representatives in the state legislature.<sup>17</sup> At this convention a committee of three was appointed to draft an address to the electors of the district and a corresponding committee consisting of three in each county was appointed for the district.<sup>18</sup> The chief work of the convention was, of course, to nominate a candidate for congress.

As the result of the state election of 1830 in Ohio, while the Jackson party claimed a very small majority in the state legislature,<sup>19</sup> it lost two representatives in congress, the second and eighth districts having elected opposition men, so that instead of the districts being eight to six for Jackson, as in 1828, they were now eight to six against him.<sup>20</sup>

The year 1831 was a quiet one in Ohio politics. In January, as is well known, fifty-two members of the legislature addressed a letter to Jackson, soliciting him to be a candidate again for the presidency. But this is a part of the national story of the preparation for the second term. A number of county conventions were held during the summer and fall which formed county tickets. In Fairfield County the preliminary meeting for calling a convention resolved "that a committee of fourteen persons be appointed to consist of one from each township, whose duty it shall be to put up four notices at the most public places

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<sup>15</sup> *Ohio Monitor*, June 9, 1830.

<sup>16</sup> *Ohio State Bulletin*, Apr. 21, 1830.

<sup>17</sup> *Ohio Monitor*, July 14, 1830.

<sup>18</sup> *Ohio State Bulletin*, Aug. 25, 1830; *U. S. Telegraph*, Sept. 3, 1830.

<sup>19</sup> *Ohio State Bulletin*, Nov. 24, 1830.

<sup>20</sup> *Ohio State Gazette* (Delaware), Nov. 4, 1830.

in their townships, informing the electors when and where the township meetings are to be held", for the purpose of electing delegates to the county convention.<sup>21</sup> It was also resolved that, "no elector intending to offer himself as a candidate before the people shall be entitled to a seat as a member in the convention."

The chief political interest of the year was the preparation through county meetings for the state convention which was to be held, January 8, 1832,<sup>22</sup> for the purpose of nominating a governor, choosing presidential electors, and also delegates to the first national nominating convention of the party which was to meet at Baltimore the following May. This state convention was attended by two hundred and forty-nine delegates<sup>23</sup> from fifty-four counties<sup>24</sup> and held its sessions on January 9 and 10. It was resolved "that when this convention proceeds to nominate a candidate for governor, any member of the convention shall have the privilege of rising in his place and naming any individual." The selection was by ballot, a majority of the whole number being necessary to a choice. Each congressional district through its delegates, chose two delegates to the Baltimore convention and one presidential elector. A committee composed of one member from each congressional district of the state, chosen by the respective delegations, selected four additional delegates at large to the Baltimore convention, two senatorial electors and five contingent electors. There were thus selected thirty-two delegates to the national convention, sixteen presidential electors and five contingent electors. The convention appointed a central corresponding committee of seven for the state; a central corresponding committee of eight for each of the fourteen congressional districts;<sup>25</sup> and central committees for the counties.<sup>26</sup> A spirited address and set of resolutions were adopted and ten thousand copies of the proceedings were ordered to be published.

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<sup>21</sup> *Globe*, Aug. 29, 1831, quoting *Ohio Eagle*.

<sup>22</sup> This date fell on Sunday, so the convention met on the ninth.

<sup>23</sup> *Globe*, Jan. 19, 1832, quoting *Ohio Monitor*.

<sup>24</sup> *Columbus (Ohio) Sentinel*, Jan. 10 and 17, 1832.

<sup>25</sup> *National Republican*, May 1, 1832; *Columbus Sentinel*, July 19, and Aug. 10, 1832.

<sup>26</sup> *Columbus Sentinel*, Apr. 5, 1832; *Globe*, Aug. 16, 1833, quoting *St. Clairsville Gazette*.



In Indiana even more than in Ohio there was a period of inactivity in political affairs after the campaign of 1828. For two years following this campaign politics slept and both county and state organizations fell into disuse.<sup>27</sup> In the spring of 1830 candidates for state and county offices were announced individually by the editors in their papers.<sup>28</sup> In some papers there appeared a "Candidates' Department" in which the various candidates' names were published under the names of the respective offices to be filled, and these were inserted from week to week until the election.<sup>29</sup> This mode of presenting candidates of course still obtains with this essential difference, that now such candidates are sifted before election by nominating conventions while then it was open for all until the day of election when a choice was made from the many. The Indiana legislature elected in 1830 was safely for Clay as usual and elected a United States Senator of the same persuasion.<sup>30</sup>

In August 1830 there appeared at Indianapolis Volume I, Number I of the *Indiana Democrat*, edited and published by A. F. Morrison who had already been an active Democratic leader and the editor of the *Republican Statesman* in Charlestown, Clark County.<sup>31</sup> He wrote stirring editorials for party organization and for a state convention and sounded a new note by say-

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<sup>27</sup> It was at this time of political inactivity that the following remarkable forecast of political events appeared as an editorial in a Whig paper, the *Indianapolis Gazette*, June 11, 1829: "From every account, we are more and more constrained to believe that General Jackson will be a candidate for reelection for president of the United States for the next four years; and we believe it will not be from any eagerness on his part to continue in office; but from the impossibility of his friends uniting on any other individual. The friends of General Jackson who are advocates of domestic industry, and there are many, particularly in the West, will not support Mr. Calhoun, the avowed opponent of the policy; neither will the southern people support an advocate of the tariff. It is therefore highly probable that the contest will be between Mr. Clay and General Jackson; and General Jackson's election will depend on his acts as president."

<sup>28</sup> *Western Sun*, March 20 and 27, 1830.

<sup>29</sup> *Ibid*, Apr. 3, 1830, *et. seq.*

<sup>30</sup> *Niles Register*, XXXIX, pp. 55, 302, 334.

<sup>31</sup> *Indiana Palladium*, Nov. 24, 1827; Nov. 21, 1829.



ing: "Let it be distinctly known that it is only the intention to elect to the legislature such persons as will render a candid, honest and fair support to the general administration. No man should have the confidence of Jackson men unless he will unequivocally pledge himself thus far."<sup>32</sup> But despite these urgent editorials, Indiana waited a year before calling another regular state convention.

A meeting of the Democratic members of the general assembly of Indiana and others convened at the governor's house in December, 1830.<sup>33</sup> Five thousand copies of the president's message were ordered to be published for distribution throughout the state. A standing central committee of twenty members was appointed for the state with instructions to publish an address to the people of Indiana. This committee met a few days later and organized, choosing A. F. Morrison as secretary "for the term of its necessary existence." A subcommittee was appointed to prepare and publish the address which appeared the following May in pamphlet form.<sup>34</sup> It was resolved "that this committee will endeavor to designate a committee of five persons in every county in the state, as a county corresponding committee, and that said committees be requested to organize committees of vigilance in the several townships of their counties, and all such committees are invited to correspond freely with the central committee through their chairman and secretary at Indianapolis."

Notwithstanding this excellent plan there is little evidence of activity during the ensuing few months. Dearborn County seems to have been the most active and best organized in the state in 1831. A county meeting was held in March preparatory to a county convention in April. At the preparatory meeting it was resolved to "unite in the support of suitable and well qualified persons, friendly to the republican principles of the present administration, for United States, state and county officers at the approaching election."<sup>35</sup> The convention was attended by delegates from the townships and nominated a ticket for the August

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<sup>32</sup> *Indiana Democrat* (Indianapolis), Oct. 2, 1830.

<sup>33</sup> *Western Sun*, Jan. 22, 1831; *U. S. Telegraph*, Jan. 19, 1831.

<sup>34</sup> *Western Sun*, May 21, 1831; *Indiana Democrat*, May 7 and 14, 1831.

<sup>35</sup> *Indiana Palladium*, April 2, 1831; *Western Sun*, April 16, 1831.

election.<sup>36</sup> The congressional election for the twenty-second congress and the state election were held in Indiana in August, 1831, and resulted in the election of a Jackson congressman in each of the three districts of the state, while as before, the opposition elected the governor and state legislature.<sup>37</sup> Thus while attempts were then being made to connect local and national politics, they still remained quite distinct in Indiana.

Since January, 1828, no Democratic state convention had been held in Indiana.<sup>38</sup> In September, 1831, the editor of the *Indiana Democrat* heralded one in his columns.<sup>39</sup> "From various sources," he wrote, "we are authorized to say that a state convention will be held at Indianapolis on the second Monday of December next, to nominate electors for president and vice-president." It was recommended to the voters of the several counties to hold public meetings and elect one delegate from each township to the convention. In preparation, county meetings were held and delegates were appointed from most of the counties of the state.<sup>40</sup> In Dearborn County the meeting was composed of delegates appointed by township meetings,<sup>41</sup> but in most of the counties there were no preliminary township meetings and the county meetings were merely gatherings of the friends of Jackson assembled "in pursuance of previous notice." The number of delegates appointed by the counties varied from one as in the case of Posey<sup>42</sup> to forty in the case of Dearborn.<sup>43</sup> The Jefferson County meeting resolved that it was inexpedient to send more than the number of representatives to which the county was entitled in the state legislature and recommended the counties throughout the state to adopt this number.<sup>44</sup>

<sup>36</sup> *Indiana Palladium*, April 30, 1831.

<sup>37</sup> *Globe*, Aug. 15 and 30, Sept. 1, 1831; Indiana elected a governor every three years.

<sup>38</sup> *Indiana Democrat*, Sept. 17, 1831.

<sup>39</sup> *Western Sun*, Sept. 17, 1831, quoting *Indiana Democrat*.

<sup>40</sup> *Indiana Palladium*, Oct. 22 and 29, Nov. 5 and 12, Dec. 10, 1831; *Indiana Democrat*, Oct. 15, Nov. 5 and 26, and Dec. 6, 1831; *Western Sun*, Nov. 12 and 26, and Dec. 3, 1831; *Globe*, Dec. 2 and 5, 1831.

<sup>41</sup> *Indiana Palladium*, Nov. 19, 1831.

<sup>42</sup> *Western Sun*, Dec. 3, 1831.

<sup>43</sup> *Indiana Palladium*, Nov. 19, 1831.

<sup>44</sup> *Ibid*, Oct. 15, 1831.

The delegates assembled December 12, and organized by appointing a president, two vice-presidents, and two secretaries.<sup>45</sup> Forty counties were represented by one hundred and twenty-one delegates. It was resolved that the friends of the administration then at Indianapolis who had not been appointed as delegates, including A. F. Morrison, editor of the *Indiana Democrat*, be invited to take seats and participate in the proceedings of the convention. As a result of this resolution, twenty-one members were added making a total of one hundred and forty-two from forty-four counties. Five delegates were appointed to attend the national convention at Baltimore in May to nominate a vice-president to be run on the ticket with Jackson; also five electors for president and vice-president were chosen and four contingent electors. It was resolved "that the delegates present be requested to use their best exertions to create committees of vigilance and correspondence in their several counties for the purpose of corresponding with the state central committee at Indianapolis." A committee of two was appointed to receive contributions to defray the expenses of this convention. A state central committee of twenty-four was also appointed. An address and resolutions were prepared and seven thousand copies were ordered to be printed and distributed throughout the state.

### *The Campaign in 1832.*

After the state convention in January, the year 1832 brought no very conspicuous advancement in party organization in Ohio. County and township organizations through the appointment of committees were effected in many counties. The regular county convention, attended by delegates duly appointed by the townships, for forming tickets and appointing delegates to district conventions, became more common throughout the state although it was not invariably adopted. The district convention had become the usual mode of nominating congressmen, but the Logan County meeting merely appointed a committee of five to correspond with the committees of the other counties of the congress-

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<sup>45</sup> For account of convention see *Western Sun*, Jan. 7, 1831; *Globe*, Dec. 26, 1831, quoting *Indiana Democrat*.

sional district to nominate a suitable candidate for congress.<sup>46</sup> The county nominating conventions, too, were sometimes mixed and irregular. A Shelby County meeting appointed a vigilance and corresponding committee of two in each township, who with as many friends as might see fit to attend, were requested to meet to consider forming a ticket to be supported at the annual election in October.<sup>47</sup>

The "Hickory Clubs" which had been organized in each ward of Cincinnati by the young men of the city in former campaigns were reorganized in the spring of 1832.<sup>48</sup> Some of the leading party papers of Ohio showed their zeal in the campaign by issuing extras during the two or three months preceding the fall election.<sup>49</sup> In one of these papers appeared the names of the "National Democratic Committee in Ohio," three in number, who were appointed by the National convention at Baltimore in May under a resolution, "that a general corresponding committee from each state be appointed by the president of this convention."<sup>50</sup> This committee also constituted three of the seven members of the Ohio central committee,<sup>51</sup> and took the leading part in its work.

There was noticeable activity on the part of committees especially in connection with the fall elections. The corresponding committee of Franklin County appointed seventy-eight men, one in each school district of the county, "to take special charge of bringing Jackson voters within their respective school districts to the polls."<sup>52</sup> In Crosby township, Hamilton County, a committee of two in each school district was appointed to induce people to attend the election and to provide them with tickets.<sup>53</sup> In Cincinnati sixteen persons were appointed in each ward to act as committees of vigilance at the polls and one hundred bills contain-

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<sup>46</sup> *Columbus Sentinel*, Aug. 30, 1832.

<sup>47</sup> *Ibid*, Apr. 5, 1832.

<sup>48</sup> *National Republican*, Apr. 20, 1832.

<sup>49</sup> *Columbus Sentinel*, July 12, 1832; *Ibid*, Aug. 23, 1832, quoting *Cincinnati Gazette*.

<sup>50</sup> *Globe*, May 25, 1832.

<sup>51</sup> *Columbus Sentinel*, July 12, *et al.*, 1832.

<sup>52</sup> *Ibid*, Oct. 4, 1832.

<sup>53</sup> *National Republican*, July 18, 1832.

ing the names of the Jackson electors were ordered to be printed and posted in conspicuous places near each ballot box in the county.<sup>54</sup> The state central committee inserted a card in the Democratic press requesting that a corresponding committeeman in each county transmit the earliest information possible concerning the vote for president to some member of this central committee.<sup>55</sup> Another notice in the press called upon every corresponding committeeman to see that township and school district committees were supplied with Jackson tickets, and in case there was no printing office in any county, they were to apply to one of the Democratic printing offices in Columbus.<sup>56</sup> Just after the state election in October the state central committee tendered acknowledgements for the receipt of about one hundred letters from the different counties giving the results of the election.<sup>57</sup> Finally the state committee formally retired from its duties after the November election and in doing so returned acknowledgements to the committees appointed in the several congressional districts of the state "for the prompt and efficient manner" in which they had "communicated intelligence, from time to time, on the subject of the late election."<sup>58</sup>

Although 1832 was the year of the presidential election, it was a very quiet one in Indiana and there was no advancement in party organization. No systematic attempt seems to have been made to unite the Jackson forces for the state election in August,<sup>59</sup> but preparatory to the fall election a circular was issued to the friends of Jackson by the central committee of the state for the purpose of uniting the party.<sup>60</sup>

The election gave Jackson a good majority in both Ohio and Indiana in 1832 as in 1828. In Ohio Jackson received eighty-one thousand two hundred votes and Clay, seventy-six thousand five hundred, making a majority for Jackson of four thousand seven

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<sup>54</sup> *National Republican*, Oct. 3, 1832.

<sup>55</sup> *Columbus Sentinel*, Oct. 25, 1832.

<sup>56</sup> *Ohio Monitor*, Oct. 17, 1832; *Columbus Sentinel*, Oct. 18, 1832.

<sup>57</sup> *Columbus Sentinel*, Oct. 18, 1832.

<sup>58</sup> *Ibid*, Nov. 15, 1832.

<sup>59</sup> *Western Sun*, Aug. 25, 1832, quoting *Indiana Democrat*, Aug. 18, 1832.

<sup>60</sup> *Western Sun*, Oct. 20, 1832.



hundred.<sup>61</sup> The vote in Indiana was thirty-one thousand five hundred for Jackson and twenty-five thousand five hundred for Clay, giving Jackson a majority of about six thousand.<sup>62</sup> In the Ohio congressional election, eleven of the nineteen<sup>63</sup> districts of the state elected Jackson men.<sup>64</sup>

*Progress from 1833 to 1836.*

In 1833 the chief interests of the Democratic party in Ohio centered about the coming state convention and the beginnings of the cleavage in the party caused by the championship of Judge John McLean for president. This faction and disaffection first showed itself in relation to the tenure and authority of the state central committee and later in opposing the state convention. Early in August the state central committee which had retired the preceding November,<sup>65</sup> resumed its functions by issuing an address to the Democratic party in Ohio.<sup>66</sup> It recommended each county corresponding committee "to take immediate measures to ensure concert of action among their political friends for effecting a choice of candidates for state and county officers." The address also favored county conventions as the best method of securing union and success. It was warmly seconded by a similar address issued soon afterward by the corresponding committee of Clermont County in which it stated: "It may be said that the powers of the central committee with those of the corresponding committees, have ceased with the occasion that caused their existence. \* \* \* We think otherwise ourselves."<sup>67</sup> On the other hand, the editor of the *Columbus Sentinel*, while publishing the

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<sup>61</sup> *Niles' Register*, Nov. 24, 1832.

<sup>62</sup> *St. Joseph's Beacon and Indiana and Michigan Intelligencer* (South Bend, Ind.), Dec. 15, 1832.

<sup>63</sup> By the congressional apportionment Act of 1832, after the fifth census, the number of representatives from Ohio was increased from fourteen to nineteen and the legislature redistricted the state accordingly.

<sup>64</sup> *Niles' Register*, Oct. 27, 1832. In Indiana the congressional election was held in the odd years.

<sup>65</sup> See p. 45.

<sup>66</sup> *Globe*, Aug. 16, 1833, quoting *St. Clairsville Gazette*. Also published in *Columbus Sentinel*, Aug. 8, 1833.

<sup>67</sup> *Globe*, Aug. 31, 1833.



address and claiming to support its recommendations, contended that the state committee had not existed since the act of dissolution by the committee itself in the preceding November, and he questioned the authority of its action.<sup>68</sup> The state convention, he said, did not contemplate the organization of a permanent body and had not the power to do so. Later when considering the reorganization of the party, the *Ohio Monitor* said:<sup>69</sup> "A state convention ought also to be held for an organization of the Democratic party. The action of the last state convention has mostly ceased. Some honestly think it has altogether. The state central committee acted this season more tardily and reservedly from the consideration that very many considered they were *functi officio*, and probably there was a greater laxity with the county committees for the same reason. A fresh organization is important to a concerted action of the party." The *Sentinel* was probably correct in its contention that the intended term of the committee had expired, but this mere technicality fails to explain the editor's real motives. The committee favored Van Buren while the editor of the *Sentinel* did not and later came out openly for McLean.

Meanwhile the question of holding a state convention arose and here again the *Sentinel* was opposed to holding it so early. It wished to give the sentiments for McLean more time to develop.<sup>70</sup> When it is considered that it was three years until the next presidential election, it must be admitted that, apart from partisan motives, the objection of the *Sentinel* was not without reason so far as it related to appointing delegates to a national convention.

By November the movement for a state convention took definite form. An editorial in the *Columbus Monitor* gave it the required stimulus, the substance of which was as follows:<sup>71</sup> "It is now well established that the Democratic party at large have determined on a National convention. \* \* \* This must be constituted by primary conventions and these will differ in differ-

<sup>68</sup> *Columbus Sentinel*, Aug. 15 and 22, 1833.

<sup>69</sup> *Ibid*, Nov. 9, 1833, quoting *Ohio Monitor*, Nov. 6, 1833.

<sup>70</sup> *Columbus Sentinel*, Nov. 2 and 9, Dec. 7 and 17, 1833.

<sup>71</sup> *Globe*, Nov. 5, 1833, quoting editorial in *Ohio Monitor*.

ent states, though probably each congressional district will be specially represented. Ohio, we doubt not, will hold a state convention; and we present for the consideration of the people a plan. We hope to receive an immediate reply from the Democratic papers in this state, whether the people in their vicinity favor a state convention and how much of the following plan they think best suited to that object, viz.:

"That a delegate convention for the State of Ohio be held at Columbus on the eighth of January next;

"That every county send twice the number of delegates that it is entitled to senators and representatives in the general assembly, and that there be a delegate from every county that is not entitled to a full representative;

"That such delegates be appointed by a county meeting  
\* \* \* consisting of delegates from the townships;

"That the townships send to such county convention a number of delegates equal to their number of jurors."

The editor of the *Lisbon (Ohio) Patriot* wrote in similar vein:<sup>72</sup> "The importance of a state convention preparatory to a national convention must be apparent to every friend of Democracy. \* \* \* It is necessary that we should have but one candidate for each office, and the sooner we know who they are to be, the better for the harmony and welfare of the Democratic party. We go for a state and national convention."

The usual county meetings were held and delegates were appointed and on January 8, 1834, the convention assembled. Of the seventy-two counties then in the state, fifty were represented by two hundred twenty-nine delegates.<sup>73</sup> The nomination of Robert Lucas for a second term as governor was unanimous. Seats in the convention were offered to those Democrats present who had not been regularly appointed delegates from county conventions, which added somewhat to the number. The convention approved the plan for a national convention and suggested the second Monday in May, 1835, at Pittsburgh, for the time and

<sup>72</sup> *Globe*, Nov. 29, 1833, quoting *Lisbon (Ohio) Patriot*.

<sup>73</sup> Account of convention in *Globe*, Jan. 24, 1834, taken from *Columbus Daily Advertiser*; *Indiana Democrat*, Jan. 25, 1834, quoting Supplement to Cincinnati *Republican*.

place for holding it. The delegates from each of the nineteen congressional districts were asked to select a delegate to the national convention and to these, two senatorial delegates were added, making the same number for the state as it had representatives and senators in congress. It was resolved "that this convention disapprove of the appointment as delegates to the national nominating convention, of any member of congress or other person holding any office under the government." The delegates to the national convention were instructed to support Van Buren for president, with power to use their own judgment as to the vice-president, "so long as the candidate be of that branch of the Democratic family termed Jeffersonian."<sup>74</sup> A state central committee of nine members was appointed.<sup>75</sup> The delegates from each county were requested to report one person as a member of the congressional district corresponding committee and six persons to compose a corresponding committee for the county. These were appointed and after a three days' session the convention adjourned.

This convention aroused some opposition among the supporters of McLean<sup>76</sup> which was expressed in several county meetings<sup>77</sup> and by the *Sentinel*,<sup>78</sup> but on the whole its influence prevailed with the party. The year 1834 witnessed the recurrence of the congressional and gubernatorial elections in Ohio and the United States Bank was the question at issue. The usual county and district conventions were held. Party organization and methods were being perfected in county, district and state. The usual method of nomination in county conventions was by

<sup>74</sup> *Globe*, Jan. 18, 1834.

<sup>75</sup> *Columbus Sentinel*, Jan. 21, and Feb. 15, 1834.

<sup>76</sup> The reason given by one of the prominent supporters of Judge McLean in Ohio for presenting him as a candidate for the presidency was: "We must have a candidate upon whom the opposition [Whigs] can unite, but in addition to this, we must have one who can take some strength from the Jackson party." See *Western Hemisphere* (Columbus, Ohio), Jan. 27, 1835, taken from *Cleveland Whig*, Jan. 21, 1835. He did draw men from the Jackson party for a time but he was later superseded by Harrison as the Whig candidate and the McLean movement was dropped.

<sup>77</sup> See files of *Columbus Sentinel* for February.

<sup>78</sup> *Ibid*, Jan. 21, and Feb. 15, 1834.

ballot and a majority of the votes was required for a choice. The tickets were sometimes prepared by committees composed of one from each township. The Democrats reelected Lucas for governor by a small majority but elected only nine of the nineteen congressmen and were left in the minority in the state legislature.<sup>79</sup>

One needed reform in organization was for the members of the state central committee to reside in or near Columbus instead of being widely scattered over the state, in order that they might work together more effectively.<sup>80</sup> The editor of the *Western Hemisphere* had urged this before the election and later he renewed his efforts. In December, 1834, he wrote a stirring editorial on party organization.<sup>81</sup> "The first step to be taken," he said, "is to summon and hold a state convention. On this convention will devolve the duty of making an efficient organization. An active state central committee must be reappointed, all of whose members should reside at the seat of government. \* \* \* Many and serious were the disadvantages which resulted from the members of the present committee not residing in town. \* \* \* County and township committees also should be appointed, the former to correspond with and report to the state central committee; the latter to establish and maintain a similar correspondence with the committees of each county." The effects of this editorial were referred to in a later one on the same subject, in which the writer said his suggestion had been "poorly received except in some portions of the state."<sup>82</sup> He still believed that a convention should be held during the coming summer, but nothing further seems to have been done concerning it until June, when the movement was begun for holding the regular biennial convention.

On June 12, 1835, a meeting in Columbus, held pursuant to public notice, recommended the Democratic citizens to assemble in their respective counties and elect delegates to a state convention to be held January 8, 1836, for the purpose of choosing

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<sup>79</sup> *Western Hemisphere*, Oct. 22, 1834.

<sup>80</sup> *Ibid*, Sept. 17, 1834.

<sup>81</sup> *Ibid*, Dec. 2, 1834.

<sup>82</sup> *Ibid*, Jan. 27, 1835.

electors for president and vice-president and nominating a candidate for governor.<sup>83</sup> The meeting further recommended the organization of the party in the several counties of the state preparatory to the next annual elections. These recommendations were published in the Democratic papers of the state. A senatorial district convention at Wapakoneta, August 6, in which the six counties of the district were represented, recommended holding a state convention at the usual time, but left it to the counties to appoint their own delegates.<sup>84</sup> The state central committee later took up the matter and recommended holding the convention.<sup>85</sup> During August and September a large number of county meetings were held to nominate candidates for county offices and they usually appointed delegates to the state convention.<sup>86</sup> Almost all of these meetings were regular conventions composed of delegates from the townships. A number of things done in the conventions indicate an improvement in political methods and a solidifying of party organization. The delegates to both county and state conventions were often provided with credentials.<sup>87</sup> A meeting in Wayne County preparatory to a county convention resolved "that no delegate of said convention ought to be nominated as a candidate for any office by said convention."<sup>88</sup> At a preliminary meeting in Fairfield County, a committee reported that "it was of the opinion that it would afford as general satisfaction to proceed at once to a choice of candidates to be recommended at the ensuing election, as to make that choice through the medium of a convention."<sup>89</sup> When this question was put to the meeting, it was disagreed to by a large majority. At the meeting of this county convention, it was resolved, as it had been before in Hamilton County,<sup>90</sup> that no one should be considered a candidate for any office by the convention who would not agree

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<sup>83</sup> *Western Hemisphere*, June 17, 1835.

<sup>84</sup> *Ibid*, Aug. 26, 1835.

<sup>85</sup> *Ibid*, Dec. 2, 1835.

<sup>86</sup> See files of *Western Hemisphere* for these months.

<sup>87</sup> *Ibid*, Sept. 16, 1835, Stark County convention; *et al*.

<sup>88</sup> *Ibid*, Sept. 2, 1835.

<sup>89</sup> *Ibid*, Sept. 2, 1835, quoting *Ohio Eagle*.

<sup>90</sup> See p. 37.



to abide by its decision.<sup>91</sup> The method of nominating a county ticket by appointing in the convention a nominating committee composed of one member from each township had become common. The convention system was now often applied for nominating representatives and senators for the state legislature. The counties composing the representative and senatorial districts sent delegates to a district nominating convention. When such district conventions were not held, the county conventions in the district made nominations separately for these offices. Frequently one county convention took the initiative and others of the district seconded its nomination. The fall election of 1835 gave the Democrats a large majority in the state legislature of Ohio which during the previous year had been Whig.<sup>92</sup>

After the election those counties which had not already done so held conventions and appointed delegates to the state convention.<sup>93</sup> The method of appointing these delegates was sometimes noteworthy. Usually the county convention appointed a certain number from each township or directed the delegates from the respective townships to appoint them. The Belmont County convention resolved that their "Democratic brethren assemble in their respective counties and elect a number of delegates to said [state] convention equal to three times the number of senators and representatives which their county sends to the general assembly and that the delegates be furnished with a certificate of the time and manner of their election."<sup>94</sup> Whereupon nine delegates were appointed from that county. In Highland County, a committee of four was appointed to fill vacancies in the delegation,<sup>95</sup> a power usually given directly to the delegates. The Hamilton County convention recommended each township and ward to appoint a delegate.<sup>96</sup> The number appointed in the

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<sup>91</sup> *Western Hemisphere*, Sept. 16, 1835, quoting *Ohio Eagle*.

<sup>92</sup> *Ibid*, Oct. 28, 1835.

<sup>93</sup> See files of *Western Hemisphere* for November and December, 1835.

<sup>94</sup> *Ibid*, Sept. 2, 1835.

<sup>95</sup> *Ibid*, Dec. 9, 1835.

<sup>96</sup> *Ibid*, Sept. 9, 1835, quoting *National Republican*.



counties varied greatly. Hardin appointed three, Miami sixty.<sup>97</sup> Ross appointed one for each one thousand population.<sup>98</sup>

The convention organized January 8, 1836, by electing a president, one vice-president from each congressional district, and six secretaries.<sup>99</sup> The whole number in attendance was said to be about eight hundred of which over four hundred were duly appointed delegates. Almost every county was represented.<sup>100</sup> The number of delegates from the different counties varied from one to thirty-eight. It is interesting to compare the number in attendance with the number appointed in some of the counties. Of the sixty appointed by Miami, nine attended. Of the fifty-seven appointed by Muskingum, eighteen attended. Jefferson appointed nine and seven attended; while Fairfield appointed twenty-eight and thirty-eight attended. It was resolved that in nominating a candidate for governor, the number of votes to be

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<sup>97</sup> *Western Hemisphere*, Dec. 19, 1835.

<sup>98</sup> *Ibid*, Sept. 2, 1835.

<sup>99</sup> For account of convention see *Western Hemisphere*, Jan. 9 and 13, 1836.

<sup>100</sup> The difficulties encountered by the delegates in attending this convention from remote parts of the state were revealed in connection with the convention of Jan. 8, 1838, in a protest by the editor of the *Warren News Letter* against holding conventions at that time of the year. See *Ohio Statesman* (Columbus), Nov. 7, 1837, quoting editorial in *Warren News Letter*. The writer very sensibly urged some time in May or the fourth of July as a more suitable time. In speaking of attending the convention of 1836 he said: "The roads were literally impassable. The stages on many of the routes were taken off and the members were obliged to tarry at Columbus for weeks or 'go round by the bridge.' The latter alternative many of them chose. We well remember that on that occasion the delegates from Cincinnati were obliged, in order to get to their homes, to go to Wheeling and there take a boat and descend the river. The delegates from Cuyahoga and Lorain were also compelled to return by the National Road via Wheeling, and from that city they went up the river to Beaver, Pa., and from there by stage to Cleveland; and we shall not soon forget the sufferings we endured going and returning on that same occasion. Therefore we object to the time." In favor of a later date he wrote: "It is early enough. The country wants repose, a little respite from the clamor of political strife. In July the roads will be good, travelling pleasant and comfortable and a convention at that time would be fully attended." This wise protest however was unavailing and the next convention was held at the usual time, January 8, 1838.

given should be equal to the number of representatives in the lower house of the state legislature, which votes should be cast *viva voce* by the delegates from each representative district by such person or persons as they might agree upon; a majority of all the votes being necessary to a choice. The delegates from each congressional district were directed to select and report to the convention the name of one elector to represent their district in the electoral college. A committee consisting of one from each congressional district was chosen to select the two senatorial electors. The delegates from each congressional district were also directed to report to the convention the names of one person in each county, as a committee of correspondence for the district, except where the district was composed of but one county, in which case the committee should consist of three members. The needed reform in the state central committee perviously mentioned was effected by appointing five members who resided in and near Columbus and whose duty it was "to correspond with and obtain information from the several Democratic county and district committees in this state in relation to all matters connected with the proceedings and objects of this convention." The central committee was given power to fill all vacancies in its own number and in the electoral ticket formed by this convention, and to call another convention, by giving public notice thereof in the Democratic newspapers and such other notices as they might deem advisable. The president of the convention was directed to appoint a committee to prepare the usual address to the people of Ohio and publish the proceedings of the convention.

The chief political events in Indiana in 1833 were the congressional election,<sup>101</sup> which then came in odd years in that state, and a state convention for the nomination of governor and the appointment of delegates to the next national nominating convention. In Indiana and Ohio, delegates were appointed to the next national convention within a year after the beginning of the presidential term and almost three years before the next election. In this year also in Indiana the congressional district convention first claims attention in some of the districts.

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<sup>101</sup> By the congressional apportionment Act of 1832, after the fifth census, the number of representatives from Indiana was increased from three to seven and the legislature redistricted the state accordingly.

The following examples indicate that in the sixth and seventh districts very representative conventions were planned. A meeting in Addison township, Shelby County, in April recommended the Democrats of that congressional district to call meetings in each township and elect delegates to county conventions for the purpose of sending five delegates from each county to a district convention to be held in Indianapolis in May.<sup>102</sup> This township meeting appointed five delegates to the county convention and requested the other townships of the county to do the same. A congressional district convention was held in Lafayette in June, and although five counties containing two-thirds of the population of the district were represented, an adjourned and more representative session was called for July 4.<sup>103</sup>

The movement for the state convention began in August and seems to have been directed by the press rather than by a state committee. An editorial in the *Indiana Democrat* stated that the necessity of calling the convention had been urged by a great number, that the Democrats were unanimously in favor of the measure, and suggested the holding of meetings at an early period to carry the measure into effect.<sup>104</sup> In a later editorial the writer said the public feeling in favor of a convention was so general that he could not hear of any portion of the state where the people were not "up and doing."<sup>105</sup>

After the usual series of preparatory county conventions the state convention assembled, December 9, 1833.<sup>106</sup> It was organized by appointing a president, two vice-presidents and two secretaries and the delegates presented credentials. At first forty-one

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<sup>102</sup> *Indiana Democrat*, Apr. 20, 1833.

<sup>103</sup> *Ibid*, June 29, 1833, quoting *Wabash Mercury*. Further accounts of these conventions are wanting. How generally these district conventions were held in Indiana in 1833 does not appear in the contemporary newspaper files which are somewhat less complete than usual for this year, but the election returns indicate that the Jackson men in all but the second district, which they lost, were well united on the one successful candidate. In the second district the Democratic votes were scattered, indicating that no convention had been held.

<sup>104</sup> *Indiana Democrat*, Aug. 31, 1833.

<sup>105</sup> *Globe*, Nov. 20, 1833, quoting *Indiana Democrat*.

<sup>106</sup> For account of convention see *Indiana Democrat*, Dec. 11, 1833.

counties were represented by one hundred forty-eight delegates. The ratio of the number of delegates attending to the number appointed by the different counties varied as usual. The three appointed by Hancock all attended and while Madison appointed but two, its representation was five. On the other hand, of the eight delegates appointed by Dearborn, but one attended and Pike which had appointed four, was unrepresented. It was resolved that the Democratic senators and representatives of the legislature of Indiana, be admitted to take part in all the deliberations of the convention. The Democratic citizens who were present from unrepresented counties of the state were also invited to become members of the convention. Whereupon fifteen names were added representing eight more counties. The method adopted for nominating a governor was suggested by a committee representing all the congressional districts of the state and was similar to that which was later adopted in the Ohio convention of 1836 already mentioned.<sup>107</sup> In both cases the number of votes was to be the same as the number of representatives in the state legislature. The rules of the house of representatives of the state were adopted in substance as the rules of the convention. It was generously resolved that the convention would waive any nomination or recommendation at that time for the presidency or vice-presidency and that its members would cheerfully support the leaders of the party. The delegates of each congressional district were directed to confer together and report to the convention three persons from that district to attend the next Democratic national convention. The Democratic senators and representatives of Indiana in congress were also asked to attend. The delegates to the national convention were requested, in case of any change of events rendering it necessary, to call primary meetings for the appointment of delegates to conventions in each congressional district to instruct said national delegates; and if in such case, these delegates failed to call for instructions, the convention advised that the people hold meetings and appoint delegates for such purpose. The delegates were empowered to fill vacancies in their number from the districts in which the

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<sup>107</sup> See pp. 53 and 54.

vacancies should occur. A central corresponding committee of twenty-one members, three from each congressional district, was appointed whose duty it was to determine the time and place of holding the next state convention and also to act as a committee of vigilance in promoting the election of the candidates nominated by this convention. All the Democratic journals of the state were requested to publish the proceedings of the convention. In the same issue of the *Indiana Democrat* in which the account of the convention appeared, the editor wrote: "We shall hear no more, we presume, of the opposition to conventions in Indiana, and particularly from those who profess to be our friends. \* \* \* We consider the system now established upon so firm a basis, that our opponents can no longer indulge the vain hope of overturning it."

Although the regular congressional elections occurred in Indiana in 1835, political party activity was at a low ebb. The existing files of contemporary newspapers have little to say concerning the congressional campaign, yet the Democratic candidates succeeded in every district.<sup>108</sup> An interesting meeting of "members of all political parties" was held in Franklin County in February "for the purpose of devising some scheme to allay party excitement."<sup>109</sup> It was resolved "that this object could best be obtained by the selection of a candidate for the presidency in whom the people of all parties could confide." A resolution nominating Harrison for president was first offered. It was then proposed to substitute the nominee of the Democratic national convention. This failing it was proposed to substitute Van Buren for president and Harrison for vice-president. This in turn was abandoned and the original resolution was adopted. This meeting seems to have been an attempt by the Whigs to enlist all the citizens of the county in support of Harrison on non-partisan grounds. The Democrats were not satisfied with the nomination and within a few weeks they held a meeting and passed resolutions supporting Van Buren and Johnson, approving the national convention to be held at Baltimore, appointing a vigilance committee of over sixty, and recommending a county

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<sup>108</sup> *Indiana Democrat*, Sept. 23, 1835, official returns.

<sup>109</sup> *Indiana Palladium*, Feb. 21, 1835.



convention in May, "having in view the sustenance of their principles."<sup>110</sup>

Following the congressional elections, the chief political interest of the year among the Democrats in Indiana was the preparation for the state convention in January, 1836. Again, as in 1833, the party newspapers of the state led and directed the movement. An editorial in the *Democrat*, early in September, presented the matter by saying:<sup>111</sup> "Within a few weeks it has been suggested to us by a number of the friends of the administration in different parts of the state that it would be good policy to hold a state convention at Indianapolis on the eighth of January next for the purpose of forming an electoral ticket.

\* \* \* As the meeting of the legislature will afford the only good opportunity of procuring a full attendance of delegates, we approve the suggestion. \* \* \* Primary meetings in all parts of the state will, of course, be held if the suggestion is generally approved and so far as we are informed the friends of the Administration in this part of the state will unite in the convention."

In a later issue the editor wrote:<sup>112</sup> "We are now convinced that a Democratic state convention will be held during the ensuing session of the legislature. \* \* \* The eighth of January appears to be the day most generally fixed on for that purpose."

Again he wrote:<sup>113</sup> "The editors of the *Indiana Palladium* warmly second the proposal of the *Democrat* for a convention."

Early in October the editor of the *Western Sun* wrote that the time for action had arrived and he proposed that meetings of all those friendly to the election of Van Buren and Johnson should be held in the several counties in the state on the second Saturday of November to elect delegates to the state convention.<sup>114</sup> He asked all the Democratic editors in the state to make similar appointments in their respective counties. A little later the editor of the *Democrat* wrote:<sup>115</sup> "Nearly all the Democratic editors in

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<sup>110</sup> *Indiana Democrat*, Apr. 4, 1835.

<sup>111</sup> *Ibid*, Sept. 2, 1835.

<sup>112</sup> *Ibid*, Sept. 30, 1835.

<sup>113</sup> *Ibid*, Oct. 7, 1835.

<sup>114</sup> *Western Sun*, Oct. 10, 1835.

<sup>115</sup> *Indiana Democrat*, Oct. 21, 1835.



Indiana have come out in favor of the proposed state convention." By the end of November meetings appointing delegates to the convention had been held in most of the counties of the state.<sup>116</sup> A number of these meetings also effected county organization.

The convention assembled on January 8, 1836, at Indianapolis and two hundred eighty-one delegates representing sixty-two counties produced their credentials.<sup>117</sup> A committee was appointed, consisting of five members from each of the seven congressional districts, to nominate officers and recommend rules for the government of the convention. The officers appointed were a president, seven vice-presidents, one for each congressional district, and two secretaries, and the rules of the house of representatives of Indiana were adopted so far as applicable for the convention. All those in attendance who were friendly to the election of Van Buren and Johnson, who were then members of the general assembly, or who had been members of any "Republican" state convention or of the national convention, or who had been presidential electors, were invited to take seats as members of the convention. A committee composed of one from each congressional district was appointed to prepare an address and resolutions. The delegates from each congressional district nominated the presidential electors for their respective districts, and the two senatorial electors were nominated by a committee composed of five from each congressional district. An equivalent number of contingent electors were nominated. A majority vote in the respective districts was required for a choice of an elector and each county was allowed as many votes as it was entitled to members in the house of representatives.

The nomination of presidential electors was the primary purpose for which the convention assembled, but perhaps no less important was its work in party organization. A committee of three from each congressional district was appointed to prepare and report to the convention a mode of organizing the party in the state. The report was adopted. It provided for a state cen-

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<sup>116</sup> *Western Sun*, Nov. 21 and 28, 1835.

<sup>117</sup> See *Western Sun*, Jan. 23 and 26, 1836, for full account of the convention; account also in *Globe*, Feb. 19, 1836.

tral committee of sixteen persons who should reside in or near Indianapolis; a committee of five in or near the center of each congressional district; and a committee of six in or near the center of each county. Each of these committees was authorized to fill any vacancy which might arise in its membership until a reorganization of the party by a subsequent state convention emanating from the people. A majority of the members of any of these committees constituted a quorum. The duties of the state central committee were: to correspond with the county committees; to collect political information and transmit it to the people throughout the state; to harmonize conflicting interests and secure the triumph of Democratic principles; to give notice of all vacancies which might occur in the departments of the government of the state; and to call a state convention whenever in their opinion, the public interest might demand it. The convention referred the naming of the members of the congressional district and county committees to the delegates present from the respective districts and counties. In counties not represented in the state convention, the committees of the congressional districts in which they were located were to appoint their corresponding committees. The duties of the county corresponding committees were: to appoint committees of vigilance in the townships with instructions to organize the townships by adding to their numbers all the Democratic citizens thereof; to apportion to each township its number of delegates to the county convention; to ascertain from the committees of vigilance the strength of the parties within their several townships and report the same to the state committee and to the congressional district committee annually as soon as practicable after the April election. The citizens of the townships were to appoint and instruct delegates to county conventions and these were to appoint and instruct delegates to representative, senatorial, and congressional district conventions. A committee of three was directed to publish twenty thousand copies of the proceedings of the convention and to collect the necessary contributions to defray the expense. It was the duty of another committee to invite Van Buren, Johnson, and Benton to visit Indiana during the ensuing season. The convention adjourned on January 9.

*Organization in 1836.*

Some effects of the work of the state convention may be traced through the following months. The central committee held meetings in February and issued a circular to the voters of the state.<sup>118</sup> The plan of organization suggested by the state convention was not followed strictly by the committee but the end sought was the same. The circular recommended the Democrats to convene in the several townships early in April and choose committees of vigilance. These committees were to call township meetings and it was suggested that they prepare lists of the voters in each township noting their political affiliations; also that they obtain assistance for supporting reading rooms in the more populous towns where the newspapers of the day might be made free and accessible to all. Those counties in which committees had not already been appointed were urged to call conventions for that purpose. County and township organization was regarded as of the utmost importance, without which the work of the state committee would be in vain. It was urged that candidates for the state legislature be selected with special reference to their political opinions especially in view of the approaching election of a United States senator.

An editorial in the *Democrat* in March observed that in many parts of the state the friends of the party were organizing in advance of the recommendation of the state committee in preparation for county conventions for the formation of Democratic tickets to be supported at the August election.<sup>119</sup> "It is the duty of the county committees," said the editorial, "to appoint the township committees. But when the county committees fail to act with energy, let the Democrats of the township go ahead themselves." In Hamilton County the plan of organization suggested by the state convention was closely followed. The members of the county committee appointed by the state convention, met and appointed township committees.<sup>120</sup> These were requested to add to their number every Democratic voter in their

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<sup>118</sup> *Indiana Democrat*, Feb. 24, and Mar. 2, 1836.

<sup>119</sup> *Indiana Democrat Extra*, March 16, 1836.

<sup>120</sup> *Indiana Democrat*, May 4, 1836.

respective townships and to call a meeting to appoint one delegate for every thirty-three voters in the township to meet in county convention and nominate a ticket for the August election. A district convention, held in connection with the Lagrange County convention at Bloomfield in June, to nominate a candidate for representative to the state legislature, showed interest and united action.<sup>121</sup> The district embraced the counties of Lagrange, Noble, Steuben, and DeKalb and the several townships in the district were all represented.

As the fall election approached the state central committee issued another address to the voters of the state, dwelling upon the importance of the election, and calling upon all citizens to do their duty.<sup>122</sup> A little later this committee recommended that a convention be held on January 8, 1837, for nominating candidates for the offices of governor and lieutenant governor and suggested that township meetings be held on the twenty-sixth of November and county meetings for appointing delegates the week following.<sup>123</sup> An editorial in the same issue stated that meetings had already been held in several counties recommending a convention and appointing delegates. After the election in which Indiana gave Harrison forty-one thousand and Van Buren thirty-two thousand,<sup>124</sup> the central committee withdrew the call for the convention.<sup>125</sup> This action was explained by an editorial in the *Democrat* which stated that the presidential election had "caused a lukewarmness and indifference in the Republican [Democratic] ranks." The people rather than the committee had lost confidence and felt that the Whig candidate would without doubt be elected.

The congressional as well as the presidential election occurred in Ohio in 1836 and the system of both district and county conventions was almost uniformly adopted. Some advancement was made in organization. In the district conventions the votes

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<sup>121</sup> *Indiana Democrat*, June 22, 1836.

<sup>122</sup> *Ibid*, Sept. 28, 1836.

<sup>123</sup> *Ibid*, Nov. 9, 1836.

<sup>124</sup> Official returns in *Western Sun*, Jan. 7, 1837.

<sup>125</sup> *Indiana Democrat*, Nov. 30, 1836.

of the counties were apportioned according to population.<sup>126</sup> In Pickaway County all delegates to district and state conventions were provided with certified lists of their respective delegations.<sup>127</sup> The names of delegates to the county convention and of corresponding committees for the townships were sometimes sent directly to the county committee by the clerks of the township meetings.<sup>128</sup> In a Muskingum County meeting a committee of five was appointed to communicate with several congressmen and invite them to visit Zanesville, and county and township committees were appointed to serve until others should be duly appointed to succeed them.<sup>129</sup> A later meeting in the same county appointed a "congressional county committee" of five whose duty it was "to have general superintendence and direction over all documents and proceedings emanating from the Democratic party or any member thereof in the approaching electioneering contest."<sup>130</sup> This committee was to coöperate with the central committee of the county. A Hamilton County meeting recommended the county convention not to nominate any one for office who would not pledge himself "to obey any instructions that might be forwarded to him by a majority of the Democratic party of that county, after his election by them, or to resign his seat instantly."<sup>131</sup> In Logan County a financial committee of four was appointed to collect funds for defraying campaign expenses.<sup>132</sup>

While the organization was generally solidifying it disap-

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<sup>126</sup> *Western Hemisphere*, June 15, 1836, quoting *Cleveland Advertiser*; *Western Hemisphere*, Aug. 31, 1836.

<sup>127</sup> *Ibid*, Aug. 17, 1836, quoting *Circleville (Ohio) Press*.

<sup>128</sup> *Western Hemisphere*, Apr. 27, 1836, Coshocton County meeting.

<sup>129</sup> *Ibid*, May 18, 1836, quoting *Zanesville Aurora*.

<sup>130</sup> *Western Hemisphere*, July 13, 1836, quoting *Zanesville Aurora*. This Muskingum County meeting was a very enthusiastic one and most of its proceedings were sensible and to the point. One resolution, however, was: "Resolved, That it is the unanimous and deliberate opinion of this meeting that Wm. H. Harrison and Francis Granger, the Federal, Whig, Anti-Masonic, and Abolition candidates for president and vice-president, ought not to receive, at the election in November next, in any one of the whole states of the American Union, one, single electoral vote."

<sup>131</sup> *Western Hemisphere*, July 13, 1836.

<sup>132</sup> *Ibid*, Aug. 31, 1836.



peared at times in some of the counties. Franklin County in the centre of the state and the seat of the capital city had no Democratic party organization early in July, 1836.<sup>133</sup> This was doubtless partly due to the fact that Franklin was a Whig county, though at times, as already observed, its Democratic organization had been well developed. A call for a county convention was at this time circulating in the townships. Should this plan fail, wrote the editor of the *Monitor*, the next advisable course would be for the congressional committeeman appointed at the last Democratic state convention for each county, to call a convention in his county. He called the attention of the congressional committeemen in the counties of the district to this suggestion and urged the holding of county and district conventions. "There is no correct way," he added, "of obtaining a congressional convention but through county conventions." In response to this agitation there appeared in the columns of the *Hemisphere* a call for a county convention on July 30, to nominate delegates to a congressional district convention and to form a ticket for the October election.<sup>134</sup> This county convention was duly held.<sup>135</sup> It revived the county organization, nominated a county ticket and appointed six delegates to the district convention which occurred in August.<sup>136</sup> Thus the organization was speedily restored.

The most enthusiastic organizing activity of the year was that of the young men and one of the most interesting features about it was the agency of the press in developing it. The movement for a young men's state convention was begun by an editorial in the *Dayton Herald* about the first of May.<sup>137</sup> "Let us have a young men's state convention," wrote the editor. "Let the state central committee designate time and place for such convention to assemble and give general and timely notice of the same. \* \* \* The above hints are thrown out for the consideration of our brethren of the Democratic presses in Ohio. We hope they will give the subject deliberate consideration and

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<sup>133</sup> *Western Hemisphere*, July 6, quoting *Ohio Monitor*.

<sup>134</sup> *Western Hemisphere*, July 13, 1836.

<sup>135</sup> *Ibid*, Aug. 3, 1836.

<sup>136</sup> *Ibid*, Aug. 31, 1836.

<sup>137</sup> *Ibid*, May 4, 1836, quoting *Dayton Herald*.



also their views through the medium of their respective papers." The *Ohio Eagle* warmly seconded this editorial in the *Herald* and suggested to the central committee the fourth of July as the time for the convention.<sup>138</sup> The editor of the *Hemisphere* wrote: "We should, in common with our Dayton brother, be pleased to hear an expression of opinion on the subject from the conductors of Democratic presses in different sections of the state."<sup>139</sup> The subject was taken up with enthusiasm by a number of the Democratic papers such as the *Zanesville Aurora*, *St Clairsville Gazette*, *Ohio Sun* (Batavia), *Elyria Republican*, *Steubenville Union*, *Coshocton Horizon*, *Washington Genius of Liberty*, and the *Cleveland Advertiser*.<sup>140</sup> The editors of the *Warren News Letter* and the *New Lisbon Patriot* were not opposed to the convention but thought efficient county and township organizations would be preferable. To this the editor of the *Hemisphere* rejoined that at a state convention where every county and section of the state would be represented, much might be done to facilitate organization, and that he understood this to be the chief object of the convention.

The state central committee, one of whose members was the editor of the *Western Hemisphere*, issued a circular of inquiry to the respective county corresponding committees of the state on the subject of the proposed young men's convention and the replies were so assuring that on July 20, the committee issued a formal call for the convention to be held at Columbus on September 9.<sup>141</sup> The Democratic papers throughout the state were requested to copy this notice. Enthusiastic county meetings were held in all parts of the state and delegates were appointed in generous numbers. In Delaware County all the Democratic young men under the age of thirty-one were authorized and urgently requested to attend.<sup>142</sup> The Franklin County convention appointed five hundred delegates,<sup>143</sup> Ross one hundred

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<sup>138</sup> *Western Hemisphere*, May 4, 1836, quoting *Ohio Eagle*.

<sup>139</sup> *Western Hemisphere*, May 4, 1836.

<sup>140</sup> *Ibid.*, June 1, 1836.

<sup>141</sup> *Ibid.*, July 20, 1836.

<sup>142</sup> *Ibid.*, Aug. 17, 1836, quoting *National Republican*.

<sup>143</sup> *Western Hemisphere*, Aug. 3, 1836.

thirty,<sup>144</sup> Clinton and Fayette each seventy-three,<sup>145</sup> Muskingum fifty,<sup>146</sup> Clermont thirty-one,<sup>147</sup> and Hardin three.<sup>148</sup> Several days before the convention assembled more than twelve hundred delegates had been appointed<sup>149</sup> but only about half this number attended.<sup>150</sup>

The organization and work of this convention was somewhat similar to that of the regular convention in January.<sup>151</sup> Governor Lucas and others attended and addressed the convention by invitation. Besides the address and resolutions adopted by the convention, an address was to be prepared for the benefit of the German citizens and another for the Welsh citizens of the state. A committee of three from each county was named to call a meeting in its county and take such measures as would insure a complete organization of the Democratic young men of the state. A "Young Men's Central Committee" of fifteen was appointed, seven of whom resided in Franklin County in which Columbus was located. The central committee was directed to collect the necessary funds to publish the proceedings and address and these were to be distributed among the counties in proportion to their representation in the general assembly.

The activity of the press during this campaign in Ohio deserves a further word. Early in June the Democratic central corresponding committee of Pickaway County had established at Circleville a paper entitled the *Ohio Press* which they conducted with much zeal and ability.<sup>152</sup> Beginning with July 4, the publishers of the *Western Hemisphere* issued a supplementary campaign extra entitled the *Magician*, which was continued till after the election.<sup>153</sup>

<sup>144</sup> *Western Hemisphere*, Aug. 31, 1836.

<sup>145</sup> *Ibid*, Aug. 31 and Sept. 7, 1836.

<sup>146</sup> *Ibid*, July 27, 1836.

<sup>147</sup> It is gratifying to be assured by the *Ohio Sun* (quoted in *Western Hemisphere*, Sept. 7, 1836) that this Clermont County meeting was "no gormandizing, intemperate, ox-eating humbug."

<sup>148</sup> *Western Hemisphere*, Sept. 7, 1836.

<sup>149</sup> *Ibid*, Sept. 7, 1836.

<sup>150</sup> *Globe*, Sept. 21, 1836, quoting *National Republican*.

<sup>151</sup> See *Globe*, Sept. 23, 1836, for account of this convention.

<sup>152</sup> *Western Hemisphere*, June 8, 1836.

<sup>153</sup> *Ibid*, July 20, 1836.

In the congressional election in Ohio the Whigs carried eleven of the nineteen districts<sup>154</sup> and in the presidential election Harrison received one hundred and five thousand and Van Buren ninety-seven thousand votes.<sup>155</sup> The Democrats of the state however rejoiced in the national victory of their party and seemed oblivious to the local defeat. A movement was at once begun to celebrate the national victory and in addition to immediate demonstrations, the ninth of the following January, (the eighth being Sunday) was set apart for a Democratic Jubilee at Columbus and various other places in the state, which was duly observed by speeches and feasting.<sup>156</sup>

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<sup>154</sup> *Ohio State Journal*, Oct. 22, 1836.

<sup>155</sup> *Niles' Register*, Dec. 3, 1836.

<sup>156</sup> *Western Hemisphere*, Nov. 30, 1836; *Ibid*, Jan. 11 and 18, 1837.

## CHAPTER III.

### EXTENSION TO ILLINOIS AND MICHIGAN.

#### *Beginnings in Illinois.*

In Illinois political parties were much slower in developing their organization than in Ohio and Indiana. Several causes contributed to this. It was a more sparsely settled frontier state with a less advanced population. The townships which were so important a factor in party organization in Ohio and Indiana, because through their meetings and delegates they formed the basis for the whole convention system, were entirely lacking in Illinois until after the Jacksonian period. Instead of the township there was only the precinct, a mere voting district without local government or organization as in the township, in which the only uniting influence was an annual election.<sup>1</sup> The great difficulty was in the primary meetings in the precincts which were very poorly attended and were a prey to professional politicians. Moreover, party organization was not extended to the precincts until 1835 and then only in a few cases in the northern part of the state. In December, 1835, the Illinois senate expressed opposition to the convention system by resolving that "every person eligible to the office of president has a right to come forward as a candidate for it without the intervention of caucuses and conventions" and that they "disapprove of the convention system attempted to be forced upon the American people by the Van Buren party and believe it to be destructive of the freedom of the elective franchise, opposed to republican institutions, and dangerous to the liberties of the people."<sup>2</sup> In writing of the convention system in Illinois Governor Ford said:<sup>3</sup> "The western Democrats looked upon it with

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<sup>1</sup> Thomas Ford, *History of Illinois* (Chicago, 1854), p. 206.

<sup>2</sup> *Niles Register*, XLIX, p. 384; *Illinois Advocate* (Vandalia), Dec. 23, 1835. This resolution was passed by a vote of 13 to 12.

<sup>3</sup> Ford, *History of Illinois*, p. 203.

a good deal of suspicion. It was considered a Yankee contrivance, intended to abridge the liberties of the people by depriving individuals on their own mere motion, of the privilege of becoming candidates, and depriving each man of the right to vote for a candidate of his own selection and choice." Under such circumstances it is easy to understand why the development of political party organization was later in Illinois than in the older states. However by 1840 the convention system was fairly well established in Illinois. The party was organized upon the principles of national politics only and not upon those of the state.<sup>4</sup> In this respect Illinois was in marked contrast with Indiana in which national party lines had little to do with state elections.

This backwardness of Illinois in party organization is particularly noteworthy in view of the fact that from 1824 to 1840 this state was conspicuously under the control of the Democratic party which was the party *par excellence* of organization. From 1824 to 1840 the congressmen from Illinois were uniformly Democratic, except in the last two years in the northern district, and the state always supported a Democratic president. The governor and legislature were also invariably Democratic.

In the election of 1824 a plurality of the popular votes of the state had been claimed for Jackson and he had received two of its electoral votes, the third being cast for Adams, for in Illinois the district plan was then pursued in choosing electors instead of the general ticket plan.<sup>5</sup> When the election went to the house of representatives the one representative of Illinois cast his vote for Adams claiming that he had received the plurality of the popular votes of the state, but this congressman was superseded by a Jackson man in 1826.

In February, 1827, the house of representatives of Illinois resolved by a vote of nineteen to eleven, that although they did not "consider it the province of the legislature to dictate to the people in regard to the presidential election," yet they believed "General Andrew Jackson eminently qualified and justly entitled to the office from the important services" he had rendered his

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<sup>4</sup>Ford, *History of Illinois*, p. 207.

<sup>5</sup>By an Act of the Illinois legislature, Jan. 11, 1827, the general ticket plan was introduced for use in presidential elections.



country.<sup>6</sup> This resolution was approved by a large meeting of Republican citizens in Belleville, St. Clair County in March, which recommended the citizens of the state friendly to the election of Jackson to assemble in the different counties and adopt resolutions and measures to promote his election.<sup>7</sup> In 1828 the state was composed of three electoral districts and in the spring the friends of Jackson in Fayette County held a meeting at Vandalia, then the state capital, and recommended the citizens of the counties of the northern district to hold meetings and appoint delegates to a convention at Springfield.<sup>8</sup> The accounts of some of these county meetings are preserved in the newspapers of that time. Two were held on March 3, 1828, one in Montgomery County, the other in Greene County, both of which approved the recommendations of the Vandalia meeting and appointed delegates to the northern electoral district convention to be held at Springfield in May.<sup>9</sup>

In harmony with the action taken by members of the legislatures of Ohio, Indiana, and several other states, both houses of the legislature of Illinois in January, 1831, passed by almost unanimous votes resolutions favoring the election of Jackson for a second term.<sup>10</sup> A meeting of the citizens of Fayette County and others from various counties of Illinois attending the supreme court of Vandalia in December, 1831, recommended the support of Jackson for the next presidency in conjunction with such person for vice-president as the Baltimore convention might select.<sup>11</sup> This meeting further recommended the citizens who were friendly to the reelection of Jackson to assemble in their several counties in the three congressional districts of the state<sup>12</sup>

<sup>6</sup> Journal of the House of Representatives of Illinois, Feb. 19, 1827.

<sup>7</sup> U. S. Telegraph, April 7, 1827.

<sup>8</sup> The knowledge of this Vandalia meeting comes from the accounts of the county meetings next referred to in the text.

<sup>9</sup> National Republican, Mar. 28, 1828; U. S. Telegraph, Apr. 12, 1828. No record of this district convention seems to be preserved.

<sup>10</sup> Journals of the House of Representatives, and of the Senate of Illinois, Jan. 3, 1831.

<sup>11</sup> Globe, Jan. 5, 1832, quoting *Illinois Intelligencer*.

<sup>12</sup> The state had been divided into three congressional districts by an Act of the legislature, Feb. 15, 1831, in anticipation of the congressional apportionment Act of 1832. Previously Illinois had had but one representative in congress.

as soon as practicable and to choose three delegates to attend conventions in their respective districts at Kaskaskia, Vandalia, and Springfield during the spring terms of the circuit courts in the counties of Randolph, Fayette, and Sangamon, to agree upon the selection of suitable persons to be supported as electors of president and vice-president. A committee of twenty-four was appointed to prepare and publish an address to the citizens of Illinois on the objects of the meeting and the next presidential election. Three delegates were appointed to represent Fayette County at the congressional district convention at Vandalia; and although this meeting was in no sense a regular state convention composed of delegates duly appointed, it chose four delegates to represent Illinois at the Baltimore convention. Pursuant to the recommendation of this Vandalia meeting, county meetings were held in each of the three congressional districts which appointed delegates to the district conventions.<sup>13</sup> A meeting in Adams County besides appointing delegates to the district convention at Springfield, appointed a committee of correspondence for the county. The four delegates appointed by the Vandalia meeting to the Baltimore convention were approved and it took the liberty of appointing an additional delegate in behalf of the citizens of the fifth judicial circuit. No records seem to be preserved of any of the district conventions but the electoral ticket which later appeared for Jackson and Van Buren would indicate that they were held.

At this time the Democrats of Illinois were divided into two factions on the subject of the vice-presidency, some favoring Van Buren, others R. M. Johnson. The movement for Johnson began in a meeting at Vandalia early in January, 1832, the object of which was to nominate a candidate for vice-president.<sup>14</sup> Col. A. P. Field introduced resolutions in support of Johnson and some friction was aroused, but after the retirement of its opponents this nomination was carried. This was followed by a call for a Jackson and Johnson state convention.<sup>15</sup> Those

<sup>13</sup> *Illinois Advocate* (Edwardsville), Mar. 9 and 23, 1832.

<sup>14</sup> *U. S. Telegraph*, Feb. 21, 1832, quoting *Illinois Journal* (Springfield).

<sup>15</sup> *Western Sun*, Feb. 25, 1832; *Sangamo Journal* (Springfield, Ill.), March 8, 1832.

friendly to these candidates were requested to appoint delegates to meet on March 26 at the state house in Vandalia for the purpose of nominating electors. Preparatory to this state convention a Fayette county meeting was held at Vandalia in February and appointed twelve delegates.<sup>16</sup> No record appears of any other preparatory meetings but on March 26 the convention was held.<sup>17</sup> Five persons were nominated, one from each of the five judicial circuits of the state, to be supported as candidates for electors for Jackson and Johnson, provided the latter should be supported by the Jackson party in any of the states. But if there should be no hope of electing Johnson, these electors were to be at liberty to vote for another candidate. An address to the people of the United States was prepared; committees of correspondence were appointed for each of the five judicial districts and a central committee of twelve for the state. Two thousand copies of the address adopted in favor of Johnson were to be printed and distributed among the counties of the state. No delegates were appointed to the Baltimore convention and it was disregarded.

Of the four delegates appointed to the Baltimore convention by the Vandalia meeting in December, two attended, and these divided the vote of Illinois in the nomination of vice-president between Van Buren and Johnson.<sup>18</sup> In the November election the five Van Buren electors were chosen and thus he received all the electoral votes of Illinois for vice-president. In the presidential elections of both 1828 and 1832 in Illinois Jackson received more than double the number of votes received by the opposing candidate.<sup>19</sup>

The strife between the Van Buren and Johnson factions in Illinois did not cease with the election of 1832 but was re-

<sup>16</sup> *Sangamo Journal*, March 1, 1832.

<sup>17</sup> *Ibid*, Apr. 5, 1832; *U. S. Telegraph*, Apr. 14, 1832, quoting *Vandalia* (Illinois) *Whig*.

<sup>18</sup> *U. S. Telegraph*, May 25, 1832.

<sup>19</sup> Official returns, office of Illinois Secretary of State.

	1828		1832
Jackson	9560	Jackson	14617
Adams	4662	Clay	6744

In 1828 Jackson received majorities in 37 of the 42 counties. In 1832 he received majorities in 46 of the 53 counties.

newed in 1833 and 1834 in connection with the campaign for governor to be elected in 1834,<sup>20</sup> and a Johnson meeting in Vandalia in February of that year nominated him for president and appointed six delegates to attend a Democratic Johnson state convention.<sup>21</sup> No time was then fixed for this convention and it was probably not held.

John Reynolds who had been governor since 1830 was elected to congress in 1834 and in speaking of the campaign he said:<sup>22</sup> "At that day the convention system was not established and as many persons offered their services as pleased. \* \* \* There were in the field three candidates for congress [in the first district], all Democrats and Jackson men. All the candidates offered without a convention. \* \* \* At the same election Kinney and Duncan were candidates for governor, also without a convention." The only organized method for promoting the cause of a candidate for public office was the county meeting and a number of these were held for the purpose of nominating favorite candidates.<sup>23</sup>

#### *Development in Illinois, 1835-36.*

The year 1835 practically marked the beginning of party organization on a large scale in Illinois. In that year the Democrats began in earnest to prepare for the coming presidential campaign along lines which were followed in other states. Two Democratic state conventions were held at Vandalia, the state capital, that year; one in April to appoint delegates to the Baltimore convention in May and one in December to choose presidential electors. The movement for the April convention was begun in that same month and because of this short time it was not largely attended. In Fayette County itself, the seat of the capital, after repeated calls for it, a meeting was held at Vandalia April 18, to express opinions upon the national convention.<sup>24</sup>

<sup>20</sup> *Globe*, Feb. 22, 1833: Illinois elected a governor every four years.

<sup>21</sup> *Illinois Advocate and State Register* (Vandalia), Feb. 22, 1834; *Sangamo Journal*, March 1, 1834.

<sup>22</sup> John Reynolds, *History of Illinois* (Chicago, 1879), p. 283.

<sup>23</sup> *Illinois Advocate*, Dec. 7, 1833; Jan. 11 and Feb. 22, 1834; *Chicago Democrat*, Jan. 21, 1834.

<sup>24</sup> *Illinois Advocate*, Apr. 1, 15, and 22, 1835.

It was resolved that, as the shortness of the time rendered it impracticable to hold a state convention for appointing delegates to the national convention, county meetings should be held throughout the state approving the national convention and agreeing to support its nominations. Precisely the same attitude had been taken by a meeting in St. Clair County.<sup>25</sup> But the Morgan County meeting, under the leadership of S. S. Brooks, editor of the *Jacksonville News*, and Stephen A. Douglas,<sup>26</sup> resolved, "that \* \* \* Illinois should be fully represented in the proposed convention at Baltimore; and that for the purpose of appointing delegates thereto, a state convention be held at Vandalia, April 27, to be composed of delegates from all the counties in the state equal in number to the representation in the legislature."<sup>27</sup> Six delegates were then chosen to represent Morgan County in such a state convention with instructions to select delegates who would favor Van Buren and Johnson. On the same day the Democrats of Greene County held a meeting which was soon followed by meetings in Sangamon and Edgar Counties, all of which appointed delegates to the state convention.<sup>28</sup>

One of the most active Democratic meetings of the year was held at Chicago about a week after the Morgan County meeting.<sup>29</sup> Among its resolutions were the following:

"Whereas, There has not heretofore been such an organization of the party in this town, county, or state as would give to individual members a voice in the selection of candidates to be supported for office, \* \* \* therefore:

"Resolved, That an immediate and thorough organization throughout the state in accordance with the principles and usages of the Democratic party, is not only expedient but absolutely necessary to its present united and efficient action. \* \* \*

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<sup>25</sup> *Illinois Advocate*, Apr. 1, 1835.

<sup>26</sup> For the part taken by Douglas in promoting Democratic party organization in Illinois, see James W. Sheahan, *The Life of Stephen A. Douglas* (New York, 1860); Allen Johnson, *Stephen A. Douglas: A Study in American Politics* (New York, 1908).

<sup>27</sup> *Illinois Advocate*, June 3, 1835.

<sup>28</sup> *Ibid*, Apr. 22, 29, and June 3, 1835.

<sup>29</sup> *Ibid*, June 3, 1835.



And while we pledge ourselves to use all necessary and proper means to effect such an organization in this town, we earnestly recommend a similar course to our political brethren in the different precincts, villages and settlements in this county and in the different counties throughout the state." A committee of correspondence was appointed for Chicago and the Democrats "throughout the state and especially in the different precincts and settlements" of that county were earnestly solicited to appoint similar committees. It was resolved to coöperate with the Democrats of the county in holding a county convention to nominate candidates for offices to be filled at the August election, and to support for all public offices only those candidates who should be duly nominated by a convention of delegates fairly called together. Two citizens of Vandalia were requested to represent the Democrats of Chicago in the state convention, "should such convention, in accordance with the recommendations of our political friends of Morgan and other counties, be held." Three hundred copies of the proceedings were to be printed, some of which were to be distributed among the Democratic editors throughout the state for publication. This unique plan of appointing delegates to the state convention who lived at the seat of the proposed convention was doubtless because of the great distance of Vandalia from Chicago and the shortness of the time.

The state convention assembled at Vandalia on the twenty-seventh and held sessions on the twenty-seventh and twenty-eighth.<sup>30</sup> Because of the short notice and of the "idea having gone abroad that there would not be sufficient time to hold a convention before the meeting of the convention at Baltimore," the attendance was small, only a few counties being represented at all and these only partially so. An active part was taken by the delegates from Morgan and Sangamon Counties and two from each of these counties were among the officers chosen by the convention.<sup>31</sup> Five delegates were appointed to attend the Baltimore convention and were instructed to support the nomination of Van Buren and Johnson. The Democrats throughout

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<sup>30</sup> *Illinois Advocate*, Apr. 29, 1835.

<sup>31</sup> *Sangamo Journal*, May 16, 1835.

the state were requested to hold county meetings where they had not already been held and concur in the proceedings of this convention. The proceedings and address were directed to be printed in a hand bill for distribution.

In accordance with the request of the state convention, its proceedings were approved by a meeting in Clinton County,<sup>32</sup> but during April and May several meetings were held in counties remote from Vandalia which had no knowledge of this convention. For instance, a meeting at Shelbyville two days prior to the state convention, solicited and recommended fourteen named delegates from various counties of the state to attend the Baltimore convention.<sup>33</sup> Democratic meetings in Vermillion, Jo Davies and La Salle Counties made no mention of the Vandalia convention.<sup>34</sup> The meeting in La Salle County adopted resolutions on organization evidently modeled upon those of the Chicago meeting in April. Committees were appointed for the county and precinct and the convention system was strongly supported.

During June and July, 1835, the plans for organization suggested by the April meeting in Chicago were carried out by the Democratic party in that vicinity and apparently for the first time in Illinois there was a county convention composed of delegates duly appointed by the precincts.<sup>35</sup> This convention was held in Cook County, July 4, in response to a call by the Chicago committee requesting the precincts to send delegates.<sup>36</sup> At the same time the committee requested the Democrats in the other counties of the district to send delegates to a senatorial convention at Ottawa, July 8. The Cook County convention nominated candidates for county officers, made county organization and appointed delegates to the senatorial convention.<sup>37</sup> This latter convention nominated a senator and appointed a senatorial district corresponding committee of two in each county.<sup>38</sup> In the

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<sup>32</sup> *Illinois Advocate*, May 27, 1835, quoting *St. Clair Gazette*.

<sup>33</sup> *Illinois Advocate*, May 6, 1835.

<sup>34</sup> *Ibid*, June 3 and 10, 1835.

<sup>35</sup> *Chicago Democrat*, July 8, 1835, editorial.

<sup>36</sup> *Ibid*, June 24 and July 1, 1835.

<sup>37</sup> *Ibid*, July 8, 1835.

<sup>38</sup> *Ibid*, July 15, 1835.

latter part of July a Democratic primary meeting was held in the Chicago precinct which nominated officers for the precinct, and appointed a committee of nine to bring out the entire Democratic vote at the next election.<sup>39</sup> Thus the convention system of nominations was extended to precinct, county, and district.

The next general organizing activity of the party in Illinois was the movement for a state convention to be held in December, 1835, for choosing presidential electors. In this movement Mr. Douglas and Morgan county again took the initiative. At a Morgan county meeting at Jacksonville in June in which Douglas was active, a decided stand was taken in support of conventions and the meeting recommended the friends of Van Buren and Johnson to hold meetings in their respective counties throughout the state and send delegates to a state convention to be held at Vandalia in December, to form a Democratic electoral ticket for the state.<sup>40</sup> Each county was requested to send a number of delegates equal to its number of representatives in both branches of the legislature and every county was to send at least one delegate. Delegates were appointed from Morgan and a county organization of the party was effected.

From July to November a large number of county meetings were held, all of which appointed delegates to the state convention and a number of them effected county organizations.<sup>41</sup> None of these meetings seems to have been composed of delegates regularly appointed by the precincts but the Peoria county meeting appointed a committee of correspondence consisting of three in each precinct of the county<sup>42</sup> and the meeting in Cook county recommended the precincts to appoint committees and to present their names to the county committees.<sup>43</sup> The delegates from Wabash county were provided with certified copies of the pro-

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<sup>39</sup> *Chicago Democrat*, July 29, 1835. A series of editorials appeared in this paper in the summer of 1835 in support of the convention system of nominations.

<sup>40</sup> *Ibid*, July 15, 1835.

<sup>41</sup> *Illinois Advocate*, July to Nov., 1835.

<sup>42</sup> *Ibid*, Dec. 2, 1835.

<sup>43</sup> *Chicago Democrat*, Oct. 14, 1835.

ceedings of the meeting, which served as their credentials to the state convention.<sup>44</sup>

The convention held its sessions at Vandalia, December 7 and 8.<sup>45</sup> At this time there were about sixty counties in the state and twenty-three of these were represented in the convention by seventy delegates. The rules for the government of the house of representatives of Illinois were adopted for the government of the convention. A committee appointed by the president, consisting of one from each county represented, selected the five candidates for presidential electors who should vote for Van Buren and Johnson. An address was prepared to the people of the state. The most interesting feature of the convention was an exciting debate during the session of the second evening on the introduction of the convention system into Illinois.<sup>46</sup> A Mr. Peck, of Chicago, offered resolutions the object of which was to introduce in Illinois the convention system of nominating all candidates for state and county officers and to prevent the election of all persons who would not submit to the decision of these conventions. He opened the discussion by observing that some of his party had prejudices against the plan. The convention system, he said, was all that could save the party; it brought men under proper control; it tested their fidelity to party. The system had worked well in New York. If southern Illinois was not ready for it, the third congressional district might adopt it.

The chairman, Mr. Maxwell, thought it too soon to force the convention system upon the people. They were not prepared for it. He believed the whole system to be anti-Republican, and although Wyatt and Douglas said it worked well in Morgan county, he was "afraid it would not go down with the old-fashioned Democrats." He stated that inasmuch as the proceedings of the meeting were taking a turn which he did not approve and one which he was convinced the people would much less approve, he would therefore be constrained to leave the chair. This he did and a momentary confusion ensued which was soon settled by the mounting of a second chairman, William Weather-

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<sup>44</sup> *Western Sun*, Dec. 15, 1835.

<sup>45</sup> Proceedings given in *Illinois Advocate*, Dec. 17, 1835.

<sup>46</sup> Account given in *Sangamo Journal*, Feb. 6, 13, and 20, 1836.

ford, upon the rostrum. Mr. Douglas of Morgan County said he had lived in New York, was well acquainted with the convention system, and knew that it was the only way to manage elections with success. "Gentlemen," he said, "were mistaken when they supposed that the people of the West had too long enjoyed their own opinions to submit quietly to the regulation of a convention." He knew better. He claimed the honor of having introduced it into the county of Morgan; and there it had "already prostrated one distinguished individual holding high office." He said the convention system had already been introduced with great success by Mr. Van Buren's friends into Maryland, Virginia, North Carolina, Georgia, Ohio, and Indiana. Mr. Caton, formerly of New York, then of Chicago, spoke warmly for conventions and said that the ex-chairman, Mr. Maxwell, also favored state and national conventions, but opposed county and district conventions because he said the people were "not prepared to give up their old ways." The immediate result of the debate was that the resolutions in favor of the convention system which had precipitated it were not adopted.

The convention question was also discussed in the state legislature in the session of 1835-36. The senate passed resolutions recommending Hugh L. White for the presidency and at the same time adopted the resolutions already given opposing the convention system.<sup>47</sup> In the house of representatives some days later, resolutions were adopted recommending the support of Van Buren and Johnson, favoring the convention system, and disapproving the "efforts of the opposition party to divide the Jackson Democratic party and thus bring the election into the house of representatives."<sup>48</sup>

During the year 1836 there were a number of county and district conventions in the northern part of the state. In the spring, through the leadership of Douglas and Brooks, the Democrats of Morgan County were induced to hold a convention at Jacksonville in April for the purpose of forming a county ticket.<sup>49</sup>

<sup>47</sup> See p. 68; *Illinois Advocate*, Dec. 23, 1835.

<sup>48</sup> *Ibid*, Jan. 6, and Feb. 10, 1836.

<sup>49</sup> For account of this activity in Morgan County, see Sheahan, *Life of Douglas*, p. 25, *et seq.*



Every precinct was represented by delegates and a ticket was nominated. This was the first regular convention composed of delegates duly appointed by the precincts, ever held in that county, though there had been one in Cook County the previous year.<sup>50</sup> Such unity and concentration were necessary if the Democrats would win, particularly in Morgan County, which was Whig. Previous to this time a half dozen or more candidates in each of the parties had often run for the same office. Douglas made a thorough canvass of the county and fought the first fight there in behalf of regular nominations and all but one of the Democratic candidates were elected.

At Flag Creek near Chicago a senatorial district convention was held in July composed of delegates duly appointed from the several precincts of Will and Cook Counties which nominated one candidate for the state senate, three for representatives, and recommended Wm. L. May as representative to congress from the third district.<sup>51</sup> The delegates from Will County then withdrew and those of Cook nominated a county ticket and resolved "that the county corresponding committee be empowered to specify the number of delegates to be hereafter admitted to represent each precinct in future conventions." A Peoria County meeting in March nominated a candidate for the house of representatives, chose delegates to meet with delegates from Putnam County to nominate a candidate for the senate, chose delegates to attend a congressional district convention at Peoria in May, and adjourned to a later date to nominate county officers.<sup>52</sup>

This year there occurred the first congressional district convention in Illinois to nominate a candidate for congress.<sup>53</sup> It met in May at Peoria in the third or northern district of the state and there are accounts of several county meetings which appointed delegates to it.<sup>54</sup> It was poorly attended but nominated Wm. L. May for congress and he was elected. This district

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<sup>50</sup> See p. 76.

<sup>51</sup> *Chicago Democrat*, July 20, 1836.

<sup>52</sup> *Ibid*, March 30, 1836.

<sup>53</sup> *Ibid*, May 11, 1836; *Illinois State Register and Illinois Advocate* (Vandalia), May 20, 1836.

<sup>54</sup> *Chicago Democrat*, Jan. 27 and Feb. 24, 1836.

was settled by emigrants from New York and New England, like Douglas, who adopted the convention system more readily than did the inhabitants of southern Illinois.<sup>55</sup> Even in the northern district it was hard enough to secure its adoption and much credit for doing so belonged to Douglas. Neither of the other two congressional districts held conventions and although there were two Democratic candidates for congress in each, Democrats were elected in both districts.<sup>56</sup>

Summing up the situation, by the end of 1836 there had been but one congressional district convention in Illinois to nominate a candidate for congress; there had not yet been a convention for the nomination of a governor; the state conventions which had been held, had made no state organization of the party; and the organization had been extended to the precincts only in a few counties in the northern part of the state. On the other hand, county meetings were becoming quite familiar; the delegate system was gaining recognition; conventions in representative, senatorial, and congressional districts as well as state conventions had been introduced; and the ground had been broken for the rapid advancement in party organization which occurred in the next few years.

#### *Organization in Michigan by 1836.*

The early history of Democratic party organization in Michigan is in marked contrast to that in Illinois. For several years before Michigan territory was admitted as a state its party organization was well developed. In 1832 and 1833, not to go farther back, there were township meetings and committees, and county, district, and territorial party organization and conventions, to which delegates with credentials were duly appointed.<sup>57</sup>

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<sup>55</sup> Reynolds, *History of Illinois*, pp. 304 and 305.

<sup>56</sup> *Illinois State Register*, Sept. 2, 15, and Oct. 7, 1836. The vote of the state in the congressional election was practically 28,000 Democratic and 16,000 Whig. In the presidential election it was 18,000 for Van Buren and 15,000 for Harrison. (*Illinois State Register*, Dec. 2, 1836.)

<sup>57</sup> For account of this see *St. Joseph Beacon*, Feb. 16, June 1 and 15, 1833.

The history of Michigan from 1835 to 1837 was unique.<sup>58</sup> It had a state government long before its admission as a state by congress and this admission was brought about by the Democratic party in Michigan. In January, 1835, just two years before the state was admitted, the legislative council provided for the election of delegates to form a state constitution. This constitution was adopted by the people at an election in October, 1835. In June, 1836, congress passed an act admitting Michigan as a state, provided she would accept boundaries which gave disputed territory to Ohio. The legislature of the territory in July provided for the election of delegates to a convention to consider the subject. This convention met at Ann Arbor September 26 and voted against admission on the terms proposed by congress. The Whigs opposed admission because the state, being Democratic, would aid in electing Van Buren to the presidency but the Democrats did not awaken to the situation till after the convention had voted against admission. This action of the convention caused much dissatisfaction among the Democrats and on November 14, the Democratic committee of Wayne County issued a circular recommending the holding of meetings in all the counties to choose delegates to another convention at Ann Arbor on December 14. It was urged that speedy action was necessary in order to secure to the new state a share of the surplus revenue that congress was about to distribute and also the revenue from public land sales in Michigan. The Whigs held aloof but the convention was held as proposed by the Democrats and resolved to accept the prescribed conditions of admission and congress by a new act formally admitted the state in January, 1837. Thus a convention called by the Democratic party brought about the admission of Michigan and the anomalous government, neither territorial nor state, gave place to that of the state.

Meanwhile party organization had been well developed. Niles in the southwestern part of the state, and Detroit were early active Democratic centers and the party activities in these vicinities give an idea of the political advancement of the state.

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<sup>58</sup> T. M. Cooley, *Michigan* (American Commonwealths), (Boston, 1886); Silas Farmer, *History of Detroit and Michigan* (Detroit, 1889).

A meeting of Democratic Republicans at Niles in August, 1835, approved of the organization of the Democratic party of the territory, resolved to support the Democratic nominations made throughout the territory with a view to state organization and appointed delegates to a Berrien County convention.<sup>59</sup> At this convention, consisting of delegates from the several townships, a committee of one from each of the townships was appointed to examine the credentials of the members.<sup>60</sup> It was resolved: "That we pledge ourselves to the Democratic party of Michigan and to each other, that we will support the regularly nominated candidate of this party as the only efficient means of preserving and perfecting the powers and influence of the party; that this convention is convinced that the principles of Democracy require a strict adherence to conventional nominations." Two delegates were chosen by ballot to represent the county in the convention to be held at Ann Arbor in August to nominate state officers and a representative to congress; two delegates were appointed to attend a senatorial convention to be held at Schoolcraft in September, and a candidate was nominated to represent Berrien County in the state legislature. The convention appointed a central corresponding committee for the county and a committee of three in each of the townships. The senatorial convention at Schoolcraft was attended by eighteen delegates from seven counties.<sup>61</sup> It nominated three candidates to represent the western senatorial district in the state legislature and urged upon the district the importance of supporting the nominations made by this and the different county conventions.

The attitude of the party toward the convention system of nominations was again shown by a resolution of the Oakland County convention, that "all differences of opinion as to candidates for office should terminate whenever a regular nomination is announced by those authorized by the party to make it."<sup>62</sup>

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<sup>59</sup> *Niles (Michigan) Gazette and Advertiser*, Vol. I, No. 1, Sept. 5, 1835.

<sup>60</sup> *Ibid*, Sept. 5, 1835.

<sup>61</sup> *Ibid*, Sept. 5, 1835.

<sup>62</sup> *Detroit Daily Free Press*, Oct. 1, 1835.

The Democratic state convention held at Ann Arbor, August 20, was quite representative and well attended. Sixteen of the nineteen counties then organized were represented by eighty-nine delegates chosen by county conventions "pursuant to the recommendation of the general committee."<sup>63</sup> Stephens T. Mason was nominated for governor and Isaac E. Crary for representative to congress.<sup>64</sup> It was resolved "that the territorial corresponding committee act in the state of Michigan until the next state convention" and that this committee have power to add to their number one member from each of the new counties organized. The Democratic young men were alert and were organizing in Michigan as elsewhere and the object and proceedings of their late general convention held at Tecumseh were approved by the state convention.

The Democrats were particularly active in and about Detroit at the time of the fall election in 1835, when the state constitution was submitted for ratification and state officers and a representative to congress were elected. Democratic meetings were often held and early in October a resolution was passed by one of them which expressed indignation at "the attempt of the Detroit Whigs to sow dissension among them" and stated that they would "give their [Whig] mixed ticket the same fate as though it partook alone of the Whig leaven."<sup>65</sup> Four Democrats were commended for declining the Whig nomination. At a later meeting the loss of a few who had joined the Whigs was referred to as a great gain to the Democratic party and it was resolved that every effort to alter the Democratic ticket should be watched and discouraged and that every exertion be made to prevent dividing or weakening the ticket.<sup>66</sup> A vigilance committee of forty-one was appointed which was directed to arrange and divide itself into subcommittees so that part of them should always be present at the polls on election days. The editor of the *Press* gave warning to Democratic voters to examine their

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<sup>63</sup> *Niles Gazette*, Sept. 12, 1835.

<sup>64</sup> Since Michigan was entitled to but one representative in congress prior to 1840, her congressmen were nominated by the state conventions.

<sup>65</sup> *Detroit Free Press*, Oct. 3, 1835.

<sup>66</sup> *Ibid*, Oct. 5, 1835.



tickets particularly before voting.<sup>67</sup> Tickets with the Democratic candidates for governor, lieutenant governor, and member of congress at the head and the names of the Whig candidates for senate and house of representatives below, were in circulation.

The year 1836 was a stirring one in Michigan politics. There were two conventions on the admission of the state, the latter of which was a Democratic party convention and another for the selection of Democratic presidential electors. Although a Democratic state committee already existed, the movement for a convention for nominating presidential electors began in the legislature. At a meeting of the Democratic members of the legislature, held pursuant to public notice at the Capitol in Detroit, July 25, it was recommended that the Democratic central corresponding committee of the state, call a convention to meet at Ann Arbor, September 28, for the purpose of nominating presidential electors.<sup>68</sup> In pursuance of this recommendation the state committee met in Detroit, August 10, and recommended to the county corresponding committees throughout the state that meetings be held in all the townships to appoint delegates to meet in county convention, August 27, and that these conventions "elect the same number of delegates to the state convention as each county is entitled to members in the state house of representatives."<sup>69</sup> The state committee also recommended that delegates be sent to a convention to give assent to the conditions imposed by congress for the admission of the state. Five hundred copies of the proceedings of the state committee were to be distributed among the counties of the state.

Thus two state conventions were called at Ann Arbor, one on September 26 to vote on admission, the other on September 28 to choose presidential electors. There are accounts of a number of township and county meetings to send delegates to them and both conventions were duly held.<sup>70</sup> The convention which voted

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<sup>67</sup> *Detroit Free Press*, Oct. 6, 1835.

<sup>68</sup> *Ibid*, July 21 and 30, 1836; *Niles Gazette*, Aug. 10, 1836.

<sup>69</sup> *Detroit Free Press*, Aug. 11, 1836.

<sup>70</sup> *Ibid*, Aug. 31, and Sept. 17, 1836; *Niles Gazette*, Aug. 31, and Sept. 7, 1836.

on admission on the terms imposed by congress opposed it by a vote of 28 to 21.<sup>71</sup> This action aroused opposition particularly among the Democrats and at a Democratic meeting in Detroit, October 17, a protest against it was drafted.<sup>72</sup> A Wayne County Democratic convention, October 29, resolved in favor of the governor's calling a second state convention to assent to the conditions of admission proposed by congress and appointed a committee of three to correspond with other counties to promote the same.<sup>73</sup> This was followed by a similar meeting in Washtenaw County.<sup>74</sup> The governor for lack of authority declined to call another convention but intimated that a convention originating with the people "in their primary capacity" might be sufficient. A circular issued by the Democratic committee of Wayne County, November 14, recommended the second convention and the movement resulted in a convention, December 14, in which practically none but Van Buren Democrats participated and which voted assent to the conditions of admission imposed by congress.

In writing of this second convention Judge T. M. Cooley has rightly said:<sup>75</sup> "A movement for another convention was therefore soon on foot which assumed to represent the whole people, though in fact originating in the caucuses of the Jackson party and representing that party almost exclusively." The delegates convened and "with no more authority than any party caucus, assumed the sovereign power of accepting the proposition of congress. No pretense could be more baseless than this assumption of authority by the convention. People ridiculed its meeting and christened it the 'frost-bitten convention.'" Congress accepted the action of the convention as that of the state and on January 26, 1837, passed the final act for admission. While this movement for admission was for the most part a movement of the Democratic party it caused a division in its ranks and the

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<sup>71</sup> *Detroit Daily Advertiser*, Oct. 1 and 4, 1836; *Michigan Pioneer and Historical Collections*, XI, pp. 157-159.

<sup>72</sup> *Detroit Free Press*, Oct. 19, 1836.

<sup>73</sup> *Ibid*, Nov. 1, 1836.

<sup>74</sup> *Ibid*, Nov. 15, 1836.

<sup>75</sup> Cooley, *Michigan*, pp. 223 and 224.

formation of a State Rights wing opposed to admission on the terms imposed, though all the Democrats supported Van Buren.<sup>76</sup>

The organization of the Democratic young men of Michigan in 1836 is illustrated by a circular issued by their state central committee in July. This was addressed to each member of the corresponding committee, one of whom was located in each county of the state, and read as follows:<sup>77</sup> "At the state convention of the Democratic young men of Michigan held at Tecumseh, August 12, 1835, you were appointed a corresponding member of the central committee. You are therefore requested to call a county convention of the Democratic young men in your county and appoint one delegate for each one thousand inhabitants to attend a state convention at such time as may be thought most expedient. The committee would suggest that you recommend to the several towns in your county to appoint corresponding committees; also that a county corresponding committee be appointed at the county convention. You will please confer with some person on this subject in the unorganized counties if any are attached to yours, that they may be represented in the next convention. Your views are requested with regard to the time and place of holding the next state convention."

In the presidential election of 1836, in which Michigan participated although not yet admitted as a state, her vote was strongly Democratic. Of the twenty-one counties which gave returns, all but three supported Van Buren, whose majority in the state was over three thousand and the ratio of the votes was almost two to one.<sup>78</sup>

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<sup>76</sup> *Detroit Daily Advertiser*, Oct. 4, 1836; *Detroit Free Press*, Oct. 20, 1836.

<sup>77</sup> *Detroit Free Press*, Aug. 25, 1836.

<sup>78</sup> *Ibid*, Nov. 26, 1836.

## CHAPTER IV.

### DEVELOPMENT FROM 1837 TO 1839.

#### *Ohio.*

In this chapter it is the purpose to carry the study of the Democratic party organization in Ohio, Indiana, Illinois, and Michigan from the close of the presidential campaign in 1836 to the preparation for that of 1840. In Ohio and Indiana, as has been shown, the Democratic party had already become well organized and little that was new was presented in these states in this later period. The chief thing to be noted is the further solidifying and perfecting of that organization attained in these states by 1836. The same is largely true of Michigan, in which the Democratic party was quite as far advanced in organization as in the two older states. In Illinois, on the other hand, the situation was different and a conspicuous advancement was made during these three years, so that by 1840 the four states had developed similar organizations and all were well established in the use of the delegate and convention system.

The summer of 1837 contributed but little of interest in the Democratic party organization in Ohio. After the election of 1836 the next interesting and important political event in Ohio was the state convention of January, 1838, for the nomination of a governor. There was some objection to having the convention in the winter because of bad weather and roads and the difficulties of travel but the patriotic Democratic central committee could not abandon the memorable eighth of January.<sup>1</sup> In response to their call the editor of the *Statesman*, which was then the leading Democratic paper of the state, wrote: "Let Democrats everywhere meet, reorganize, consult, and resolve."<sup>2</sup> Much interest was shown in preparing for the convention, but

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<sup>1</sup> *Ohio Statesman* (Columbus), Nov. 7, 14, and 21, 1837; (See p. 53, note 100.)

<sup>2</sup> *Ibid*, Nov. 21, 1837.

few new features appeared. The Fairfield County convention appointed a central committee for the county "to be reported to the state convention."<sup>3</sup> Washington County, while appointing delegates to the state convention, appointed a "congressional corresponding committee for the county" to be presented for the approval of the state convention.<sup>4</sup> This reference of such appointments to the state convention for approval was unusual and seems to have indicated a deference for that body. In Guernsey County a meeting at Washington on January 1, 1838, added six delegates to the number already appointed by a meeting at Cambridge in the same county,<sup>5</sup> although the number of delegates from this county who reported in the state convention was only three.<sup>6</sup> The first seven resolutions on political principles adopted by this meeting were identically the same as had been adopted by the Franklin County meeting, December 16.<sup>7</sup> Such copying of resolutions was quite common in all county meetings. The editor of the *Statesman* at Columbus coöperated with the Democrats in counties which had no Democratic paper of their own by publishing the proceedings of their meetings promptly.<sup>8</sup> The enthusiasm for the state convention is indicated by the fact that larger numbers of delegates than usual were appointed by the county conventions. In Franklin County, three hundred were appointed;<sup>9</sup> in Delaware from two hundred to four hundred;<sup>10</sup> in Fairfield, one hundred forty-six.<sup>11</sup> These delegations were the largest appointed. In the list of delegates reported at the convention, there were from Franklin one hundred fifty-six, from Delaware twenty-nine, and from Fairfield sixty-five.<sup>12</sup> Seven counties were represented by one each and the total attendance was six hundred fifteen from fifty-two of the seventy-

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<sup>3</sup> *Ohio Statesman*, Dec. 26, 1837.

<sup>4</sup> *Ibid.*, Jan. 2, 1838.

<sup>5</sup> *Ibid.*, Jan. 5, 1838.

<sup>6</sup> *Ibid.*, Jan. 12, 1838.

<sup>7</sup> *Ibid.*, Dec. 22, 1837.

*Ibid.*, Jan. 9, 1838, editorial.

*Ibid.*, Dec. 22, 1837.

<sup>10</sup> *Ibid.*, Jan. 5, 1838.

<sup>11</sup> *Ibid.*, Dec. 26, 1837.

<sup>12</sup> *Ibid.*, Jan. 12, 1838.



four counties then in the state. The convention nominated a governor, appointed a state central committee to serve until the next convention, and resolved that it would be expedient to hold a state convention of Democratic young men at Newark on the second Wednesday in September.

The year 1838 brought the congressional election again in Ohio<sup>13</sup> and a series of congressional district conventions. At the same time there are the usual accounts of township, county, and legislative district meetings but they were more numerous and better systematized than before. The Democratic papers of the state were active. An article in the *Statesman* in January listed forty-three of them and the editor suggested that they open a regular exchange until after the fall election.<sup>14</sup> The *Ohio Eagle* and *Muskingum Valley* at once responded to this suggestion, sending copies to all the other Democratic papers in the state, and inviting a general exchange in return. The subscriptions to Democratic papers increased rapidly at this time.<sup>15</sup> Resolutions in some of the county meetings favored the establishment of Democratic papers. The meeting in Guernsey County in January, already mentioned, resolved that "the establishment of a Democratic press in this county is a measure of vital importance to every true Republican in the county."<sup>16</sup> A Union County Democratic meeting in October resolved "that immediate steps be taken to establish a Democratic press in this legislative district" and a committee was appointed to confer upon this subject with the Democratic central committees of Marion and Crawford Counties.<sup>17</sup>

The most enthusiastic event of the year in Ohio was the meeting of the Democratic young men of the state at Newark. This had been suggested for September by the state convention but the Democratic young men's state central committee later issued a circular and changed the date to the seventeenth

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<sup>13</sup> Twelve of the nineteen congressional districts elected Democratic congressmen.

<sup>14</sup> *Ohio Statesman*, Jan. 16 and Feb. 2, 1838.

<sup>15</sup> *Ibid*, Feb. 23, 1838.

<sup>16</sup> *Ibid*, Jan. 5, 1838.

<sup>17</sup> *Ibid*, Nov. 14, 1838.

of August.<sup>18</sup> The preparations were conducted on a vast scale. The Democrats of Pickaway County appointed two hundred delegates.<sup>19</sup> The Franklin County meeting referred the appointment of delegates to a committee and empowered this committee to extend the number of delegates to five hundred.<sup>20</sup> The meeting in Delaware County appointed "all the Democratic Republican electors of the county under the age of thirty-eight," as delegates.<sup>21</sup> A young men's central committee for the county was appointed and it was requested to appoint in each township a young men's committee of vigilance. The county meetings in preparation for the convention were either regular county conventions or young men's meetings. The number who attended the convention was estimated at from four to six thousand.<sup>22</sup> A long address and resolutions were adopted. The *Volksblatt* of Cincinnati and the *Vaterlandsfreund* of Canton were recommended to the German citizens as the only two German papers of the state which advocated doctrines of true Democracy. A young men's state central committee of seven was appointed. It was resolved "that the members of this convention use their endeavors to have Democratic Republican associations formed in each township, disseminating necessary political knowledge among the people, to secure unity of action among the Democracy of the state."

### *Indiana.*

In Indiana after the campaign of 1836 the Democratic party relaxed its efforts and its organization declined. The following year brought the congressional and gubernatorial elections again in this state and neither awakened any organizing activity among the Democrats. The reward of this lethargy was the loss of every congressional district in the state, except the first, by a popular vote of almost 2 to 1 in the aggregate in the August

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<sup>18</sup> *Ohio Statesman*, July 4, 1838.

<sup>19</sup> *Ibid*, Aug. 15, 1838.

<sup>20</sup> *Ibid*, Aug. 15, 1838.

<sup>21</sup> *Ibid*, Aug. 15, 1838.

<sup>22</sup> *Ibid*, Aug. 29, 1838, quoting *Newark Constitutionalist*.

elections.<sup>23</sup> For the governorship the Democrats did not even bring forward a candidate. Moreover there was still a decided tendency to eliminate national politics from the state election and the Democrats supported the different Whig candidates for governor.<sup>24</sup> The Whig party itself was much divided on the governorship, having several candidates for it, and it would have been easy to elect a strong Democratic candidate had one been presented. There is no account of nominating conventions but in October, 1837, the *Indiana Democrat* proposed that county meetings preparatory to a state convention in December, be held to discuss and adopt resolutions on political principles.<sup>25</sup> Other Democratic papers seconded the suggestion.<sup>26</sup> Although much apathy was shown, the convention assembled, December 13, and requested the party throughout the state to hold county meetings for the purpose of expressing their views and of reorganizing the party.<sup>27</sup> There was little response to this request. A meeting in Clark County, January 8, 1838, thoroughly reorganized the party in that county and appointed a committee to solicit contributions for defraying the expenses of publishing three thousand copies of its address and proceedings.<sup>28</sup> The Democratic members of the legislature and others met at Indianapolis, February 1, and appointed a committee to report to an adjourned meeting on the tenth a plan for the organization of the party in the state, and although this adjourned meeting was held and adopted a long address, nothing seems to have been done in the way of party organization,<sup>29</sup> and few, if any, county meetings were held preparatory to the August election. Following this election a significant statement appeared in one of the leading Democratic papers of the state. Referring to the plan of party organization recommended by the state convention of January 8, 1836, already presented, the writer said: "Had it been

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<sup>23</sup> *Whig Almanac* (New York), 1838.

<sup>24</sup> *Indiana Democrat*, April 19, and May 31, 1837.

<sup>25</sup> *Ibid*, Oct. 4, 1837.

<sup>26</sup> *Ibid*, Oct. 25, Nov. 8, 15, and 22, 1837.

<sup>27</sup> *Western Sun*, Jan. 13, 1838, quoting *Indiana Democrat*.

<sup>28</sup> *Western Sun*, Jan. 27, 1838, quoting *Indianian*.

<sup>29</sup> *Western Sun*, Feb. 17 and 24, 1838, quoting *Indiana Democrat*.

adopted and acted upon by the Democrats, they would not have been divided in opinion respecting the proper men to receive their support, as they were at the late election."<sup>30</sup>

The next year more attention was given to party organization. At least some of the congressional districts held regular nominating conventions composed of delegates from the various counties of the district, chosen by conventions of delegates appointed by township meetings.<sup>31</sup> It was partly because of this and partly from a reaction, perhaps, that the Democrats regained their control of the state in the elections of 1839. Five of the seven congressional districts elected Democratic congressmen, and although the legislature had been Whig for several years, both branches of it then became Democratic.<sup>32</sup>

### *Illinois.*

In Illinois the year 1837 marked further development in Democratic party organization. At this time occurred the first state convention which nominated a governor and for the second time a congressional district convention was held in the third, or northern district of the state. A nominating convention was also recommended for the following spring in another congressional district; the convention system was rapidly gaining favor and being adopted in the legislative districts and in the counties, and the party organization was extending to the precincts. Generally too, the Democratic editors of the state had come to favor the convention system.<sup>33</sup>

The movement for the state convention originated in a meeting of the Democratic members of the legislature and others in Vandalia in July.<sup>34</sup> This meeting which was nothing but a party caucus, though it "assembled agreeably to public notice," effected the first party organization for the state. It urged that delegates be chosen from all the counties "in such manner as they

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<sup>30</sup> *Western Sun*, Oct. 6, 1838.

<sup>31</sup> *Ibid*, Mar. 30, 1839.

<sup>32</sup> *Ibid*, Aug. 31, 1839.

<sup>33</sup> *Illinois State Register*, June 9, 1837, editorial.

<sup>34</sup> *Ibid*, July 21, 1837.

may adopt," to meet at Vandalia the second Monday of December to nominate candidates for governor and lieutenant governor. A central committee of fifteen, five from each congressional district, was appointed to correspond with other committees throughout the state. Another committee of thirty, of which Stephen A. Douglas was one,<sup>35</sup> was appointed to prepare an address in the interests of the party and the convention. This address was published later and set forth the advantages of the convention system.<sup>36</sup> In pursuance of this call the Democrats of Sangamon County met in Springfield early in October and at their request were addressed by Douglas in support of public meetings and conventions.<sup>37</sup> Resolutions were adopted approving nominations by conventions and delegates were appointed to the state convention. A meeting in Fayette County early in November appointed delegates to the state convention and recommended the Democrats of the county "to hold meetings in their several neighborhoods, at the places of electing justices and constables and there elect delegates to meet in Vandalia with other delegates from Effingham County" to form a Democratic ticket for the next August election.<sup>38</sup> The meeting in Pike County after appointing delegates to the state convention and a central committee for the county, requested the Democrats of the several precincts to hold meetings and choose delegates to act in concert with the central committee.<sup>39</sup> Many counties appointed delegates and the convention seems to have been quite representative.<sup>40</sup> J. W. Stephenson was nominated for governor.

Early in September, 1837, an editorial appeared in the *Springfield Republican*<sup>41</sup> reminding the Democrats of the third congressional district that the time was approaching when it would be necessary to hold a convention to nominate a candidate for congress; that the fall terms of the courts would be a

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<sup>35</sup> Sheahan, *Life of Douglas*, p. 35.

<sup>36</sup> *Illinois State Register*, Nov. 3, 1837.

<sup>37</sup> *Ibid*, Oct. 27, 1837.

<sup>38</sup> *Ibid*, Nov. 10, 1837.

<sup>39</sup> *Ibid*, Dec. 8, 1837.

<sup>40</sup> *Ibid*, Dec. 22, 1837.

<sup>41</sup> Quoted in *Illinois State Register*, Sept. 8, 1837.



good time for the people to hold their primary meetings to appoint delegates to it; and the third Monday of November at Peoria was suggested for the time and place. In pursuance of this suggestion a series of county meetings appointed delegates to this convention. Many of these meetings appointed delegates to both the district and the state conventions and adopted resolutions in support of the convention plan for nominations. On November 20, the convention assembled at Peoria.<sup>42</sup> Sixteen counties, which were about half of those in the district, were represented by forty-one delegates. A committee was appointed to prepare and publish an address to the people of the district. It was resolved that a corresponding committee be appointed, consisting of one from each county of the district, with power to call conventions at its discretion. Upon balloting for a candidate for congress, Stephen A. Douglas received a majority of the votes and was nominated.

That congressional district nominating conventions were becoming favorably considered in the southern part of the state, is shown by the action of county conventions in both the first and second congressional districts. A Democratic meeting in Clinton County in December, 1837, adopted resolutions approving conventions and besides appointing delegates to the state convention, recommended the voters in the first congressional district to appoint delegates to a convention to be held at Kaskaskia in March, 1838, to select a candidate for congress.<sup>43</sup> Again in the second congressional district a meeting in Edgar County in May, 1838, after appointing delegates to attend a second state convention in Vandalia in June for the nomination of a governor, authorized these delegates "if thought expedient," to meet with the other delegates from that congressional district, and in the capacity of a congressional convention, to agree upon a candidate for congress.<sup>44</sup> This second gubernatorial nominating convention in June, 1838, was made necessary, as Mr. Stephenson was accused of being a public defaulter and declined to run for

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<sup>42</sup> Account given in *Peoria (Illinois) Register and Northwestern Gazetteer*, Nov. 25, 1837; *Globe*, Dec. 12, 1837.

<sup>43</sup> *Illinois State Register*, Dec. 8, 1837.

<sup>44</sup> *Ibid*, May 25, 1838, quoting *Illinois Statesman*.

the office of governor.<sup>45</sup> To meet this emergency a call was issued by the Democratic press of the state for a second convention. The convention assembled June 4. Twenty counties were represented by sixty-two delegates, the number varying from 1 to 8 from each county.<sup>46</sup> Thomas Carlin was nominated for governor.

The influence and leadership of the Democratic press was well illustrated in this case. An editorial in the *State Register* read thus:<sup>47</sup> "In favor of the reassemblage of the convention \* \* \* we have now a considerable majority of the Democratic press." Seven papers were named as having expressed themselves in favor of it. "The question is thus settled," said the editor, "and we call upon the delegates \* \* \* to set out at once for the convention. The first Monday in June is the day unanimously agreed upon." The *Galena Democrat* issued an extra, May 5, in which it called upon the Democracy of Jo Daviess County to meet in convention on the twenty-sixth and choose delegates to the state convention, which was done. Appreciation of the press was indicated by the Edgar County meeting which resolved:<sup>48</sup> "That as the success of Republican principles depends greatly upon the intelligence of the people, we would respectfully impress upon the minds of our friends the importance of a general diffusion of correct political information; and to to this end, this meeting would exhort the members of the Democratic party throughout the country, to use their influence to extend the circulation of Democratic newspapers."

The Democratic party in Illinois in 1838 elected Thomas Carlin for governor by a small majority. In the first district John Reynolds was elected to congress by the Democrats; in the second district, Zodac Casey, who had been a Democrat, was elected by both parties; in the third, or northern district, an exciting contest was waged between Stephen A. Douglas (Democrat) and John T. Stuart (Whig) and resulted in the election of Stuart

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<sup>45</sup> Stephenson's letter of withdrawal, published in the *Galena Democrat* was quoted in the *Alton (Illinois) Telegraph*, May 23, 1838.

<sup>46</sup> *Peoria Register*, June 16, 1838.

<sup>47</sup> *Illinois State Register*, May 25, 1838.

<sup>48</sup> *Ibid*, May 25, 1838, quoting *Illinois Statesman*.

by a majority of only a few votes. It is doubtful whether he would have been elected if the election had been contested. This campaign reminds one of the greater campaign between Lincoln and Douglas just twenty years later. Stuart was the only Whig elected to congress from Illinois prior to 1840. The fact that the northern part of the state was being settled rapidly at this time, may help to explain this breakdown in the uniform Democratic success in congressional elections in Illinois. This incoming mass overpowered for the time being the machine which Douglas and the Democrats were building up and perfecting. After 1840 for a number of years the northern part of the state, except in a single district, resumed its earlier habit of electing Democrats to congress. This meant that the Democratic party organization was succeeding in assimilating a larger portion of the population, not to mention the principles, personal attachments, traditions, and prejudices involved in party affiliation.

Although the organizing activity of the party in 1839 in Illinois was largely in connection with the state convention in December for nominating presidential electors, yet there was a general expansion and solidifying of the work. Party organization was extending to the precincts, legislative district conventions were becoming common, the committee system was enlarged and perfected, and in general quite advanced ground was taken beyond that of the previous year. Thus on February 25, a Democratic meeting in the hall of representatives appointed a state central corresponding committee of seven, a committee of correspondence of three or less in each county and a committee of seven to prepare an address to the people of the state.<sup>49</sup> Early in the spring the "Democratic general committee" of the senatorial district about Galena issued a stirring address to the Democratic citizens of the district, urging the necessity of an immediate organization:<sup>50</sup> "Let the Democratic citizens of each precinct in the district meet together and appoint corresponding committees \* \* \* and select delegates to attend a Democratic convention to be held at some central point for the purpose of

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<sup>49</sup> *Illinois State Register*, May 10, 1839.

<sup>50</sup> *Ibid*, March 22, 1839, quoting *Galena Democrat*, Extra.

adopting a perfect system of organization throughout the whole district." In pursuance of this plan, a county meeting at Galena in February and a precinct meeting near Galena in March appointed delegates to a district convention to be held at Dixon in June.<sup>51</sup> The latter meeting appointed a committee of vigilance for the precinct.

The district convention however, was more often brought about by a county meeting than by a senatorial committee, as these had seldom been appointed at this time. In April, a large Democratic meeting in Fayette County called a district convention to be held in Clay County in October, to nominate a senator to represent Fayette, Effingham, and Clay Counties.<sup>52</sup> It also resolved that the delegates from Fayette and Effingham Counties at the same time and place should nominate two persons for representatives from those counties; and after appointing delegates to represent Fayette County, the meeting recommended that primary meetings be held in the other counties to select delegates to the convention. This recommendation was complied with by the other counties and the convention was duly held, the nominations were made, and a committee was appointed to draft an address to the people of the senatorial district.<sup>53</sup>

That the precinct was in evidence in party organization in the spring of 1839 is again illustrated by the fact that a Democratic meeting was held in the Ottawa precinct in April, which was attended by "between two hundred and three hundred" for the purpose of choosing delegates to represent the precinct in the county convention to nominate candidates for the August election.<sup>54</sup> A meeting in Lee County in May, besides appointing a corresponding committee for the county, named a local committee in each of the six precincts of the county.<sup>55</sup>

#### *Michigan.*

The Democratic party organization in Michigan in 1837 had already reached the stage of development toward which it was

<sup>51</sup> *Chicago Democrat*, May 1, 1839, quoting *Galena Democrat*.

<sup>52</sup> *Illinois State Register*, Apr. 26, 1839.

<sup>53</sup> *Ibid*, Nov. 9, 1839.

<sup>54</sup> *Chicago Democrat*, May 1, 1839.

<sup>55</sup> *Illinois State Register*, Nov. 30, 1839.

struggling in Illinois. From the townships through the counties and districts to the state, the system of committees, delegates, and conventions was well worked out and running smoothly. Committees of vigilance and correspondence and committees on credentials had become quite familiar and in preparation for the fall election, Detroit appointed a vigilance committee of nearly a hundred.<sup>56</sup> The senatorial district nominating conventions seemed more regular and to occupy a more definite place in the Democratic party activity in Michigan at this time than in any other of the northwestern states.

The chief political events of the year were the election of a governor<sup>57</sup> and a member of congress. The term of Mr. Cray in congress had expired in March and the legislature appointed a special election for August 21 and 22 to choose a successor in time for him to attend the special session of congress called for September.<sup>58</sup> The election of governor was held later. The party was divided by a small State Rights faction which made a separate nomination for governor but the vote cast was so small that it need hardly be noticed. Preparatory to these elections there were two state conventions, one for the nomination of candidates for governor and for a member of congress, and the other a convention of the Democratic young men.

The calling of the regular state convention was first suggested by a Democratic caucus of the state legislature, which was held pursuant to public notice in the hall of the house of representatives on the twentieth of June.<sup>59</sup> It requested the state corresponding committee to call the convention to meet at Ann Arbor the twentieth of July, to nominate candidates for governor, lieutenant governor, and member of congress. It also appointed a committee to prepare resolutions and an address to the Democratic electors of the state. This address urged the "importance of adopting early and efficient measures in every township and county in the state, to insure a full and satisfactory representa-

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<sup>56</sup> *Detroit Free Press*, Nov. 6, 1837.

<sup>57</sup> Michigan elected a governor every two years.

<sup>58</sup> *Detroit Free Press*, June 27, and Aug. 11, 1837.

<sup>59</sup> *Ibid*, June 22, 1837.



tion" in the state convention.<sup>60</sup> In compliance with this request, the Democratic state corresponding committee on June 26, issued the call for the convention.<sup>61</sup> Some of the proceedings in one or two of the county conventions which met to send delegates, may be noted in passing. The convention in Livingston County, attended by delegates from all the townships, resolved "that three delegates from each organized township be entitled to seats in the county convention for the nomination of county officers."<sup>62</sup> Thus equal representation was provided for the townships. In the Wayne County convention a committee of one from each township represented was appointed to examine credentials of members, which was a very usual procedure.<sup>63</sup> Besides appointing a corresponding committee for the county, the several townships in the county were requested to appoint corresponding committees. These examples illustrate the advanced methods of organization employed in county conventions in Michigan at this time. The state convention assembled at the appointed time and a committee of one from each county was appointed to examine credentials.<sup>64</sup> One hundred four delegates were present from twenty-four counties. Wayne County sent sixteen delegates, Washtenaw fourteen, some only one, but the majority of the counties sent two delegates each. Some counties in the northern peninsula had delegates from the southern part of the state represent them. A special committee was appointed to examine their credentials and reported them satisfactory. After several ballotings, Stevens T. Mason was nominated for governor and Isaac E. Crary for congressman. A number of resolutions were adopted and an address was to be prepared later and published in the Democratic papers of the state. A state corresponding committee of five was appointed for the ensuing year and until their successors should be appointed, "together with an additional member from each organized county." Twenty-five such members were added.

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<sup>60</sup> *Detroit Free Press*, Aug. 11, 1837.

<sup>61</sup> *Ibid*, June 27, 1837.

<sup>62</sup> *Ibid*, July 18, 1837.

<sup>63</sup> *Ibid*, July 17, 1837.

<sup>64</sup> *Ibid*, July 24, 1837.

Early in July the Democratic young men's state central committee issued a circular calling for a state convention to be held at Ann Arbor, July 27, and recommending that each county send the same number of delegates as it was entitled to representatives in the state legislature.<sup>65</sup> The committee also recommended that, for the better organization of the party, township and county corresponding committees be appointed in such townships and counties as were without them. On July 20, a second circular was issued postponing the date of the convention to October 5.<sup>66</sup> On August 5, the committee issued another circular recommending that the number of delegates be increased to three times the number of representatives in the legislature.<sup>67</sup> In preparation for this convention, township meetings appointed delegates to county conventions which in turn appointed delegates, just as in the case of the regular state convention, and similar local committees were appointed. The young men's corresponding committee of Wayne County issued a circular the latter part of July, calling upon the township corresponding committees to forward to the secretary of the county committee the names of their members, and recommending such townships as had no committees to appoint them as early as possible.<sup>68</sup> The Democratic young men of Detroit also organized and had their corresponding committees.<sup>69</sup> The convention assembled at the time and place designated.<sup>70</sup> Eleven counties were represented by ninety-five delegates, of whom thirty-two were from Washtenaw, twenty-seven from Wayne, and several of the counties were represented by only one delegate each. A committee was appointed to prepare an address to the young men of Michigan. A committee of five residing in Ann Arbor, was named as a state corresponding committee, and two from each county were added as corresponding members. The Democratic young men of the state were requested to hold primary

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<sup>65</sup> *Detroit Free Press*, July 10, 1837.

<sup>66</sup> *Ibid*, July 25, 1837.

<sup>67</sup> *Ibid*, Sept. 7, 1837.

<sup>68</sup> *Ibid*, July 26, 1837.

<sup>69</sup> *Ibid*, Sept. 12, 1837.

<sup>70</sup> *Ibid*, Oct. 10, 1837.

meetings in their several townships to make arrangements for the ensuing election.

The Democratic papers of Michigan were active in combating those of the Whigs. An editorial in the *Detroit Press* in July in speaking of the Whig efforts to flood the state with papers, said that to meet these efforts it would be the duty of the Democrats to provide for the circulation of their own papers sufficiently to counteract them, and suggested to the Democratic county committees the propriety of attending to this in their respective counties.<sup>71</sup> In order to supply this greater demand the editor of the *Press* proposed to publish a larger edition from the first of August till after the November election. A census of the press of Michigan in August, 1837, gave seventeen Democratic and five Whig papers.<sup>72</sup>

The election gave majorities to the Democratic candidates for governor and congressman,<sup>73</sup> but a Democratic meeting in Detroit nobly resolved to use the money which would be expended in celebrating the victory, for the relief of the poor.<sup>74</sup> A collecting committee was appointed, consisting of one from each ward in the city, which was authorized to appoint a disbursing committee.

In July, 1838, the Democratic state central committee issued a circular to the county committees throughout the state, calling attention to the approaching election for a member of congress, members of the legislature, and county officers on the first Monday and Tuesday of November.<sup>75</sup> The committee recommended that a state convention meet at Ann Arbor, September 11, composed of four times as many delegates as there were representatives in the legislature; and that each county unorganized send two delegates. One hundred seventy-five delegates attended the state convention representing twenty-two counties.<sup>76</sup>

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<sup>71</sup> *Detroit Free Press*, July 19, 1837.

<sup>72</sup> *Ibid*, Aug. 10, 1837.

<sup>73</sup> *Ibid*, Sept. 5, and Dec. 13, 1837.

<sup>74</sup> *Ibid*, Nov. 28, 1837.

<sup>75</sup> *Niles (Michigan) Intelligencer*, July 18, 1838; *Detroit Free Press*, July 16, 1838.

<sup>76</sup> *Niles Intelligencer*, Sept. 19, 1838; *Detroit Free Press*, Sept. 17, 1838.

The ratio of representation in the different counties was about the same as in the preceding conventions. It was resolved that when ten members should require it, the balloting should be by counties, each county having the same number of votes as the number of delegates to which it was entitled, which votes were to be determined by the majority of its delegates present. After nominating Isaac E. Crary as a candidate for congress, the convention adopted a series of resolutions on political principles and policy, and appointed a state central corresponding committee, consisting of one member from each of the seven senatorial districts of the state. It was earnestly recommended to the Democracy of the state to perfect without delay a strong organization in the respective counties.

The Democratic young men of the state were again active in 1838, and in the latter part of July their corresponding committee issued a circular recommending the committee of each county to call a county convention, for the more thorough organization of the party and the election of delegates to a state convention, to be held at Ann Arbor on the eighteenth of September.<sup>77</sup> It was recommended that the number of delegates be four times the number of representatives in the legislature and that each county not having a representative be entitled to three delegates. The convention drafted an address and resolutions and appointed a central corresponding committee of three, located at Ann Arbor.<sup>78</sup> The corresponding committees of the counties for the past year were reappointed.

The apportionment of representation in county and district conventions, and the division of counties into representative districts were often carefully arranged by committees. Thus in the senatorial convention for the seventh district, a central committee for this district, consisting of three members, was appointed which was to apportion the number of delegates.<sup>79</sup> In the Berrien County convention, a committee of one from each township was appointed to apportion the number of delegates to

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<sup>77</sup> *Detroit Free Press*, Aug. 1, 1838; *Niles Intelligencer*, Aug. 22, 1838.

<sup>78</sup> *Detroit Free Press*, Sept. 25, 1838.

<sup>79</sup> *Niles Intelligencer*, Sept. 26, 1838; *Detroit Free Press*, Sept. 28, 1838.

represent the different townships in this convention.<sup>80</sup> In the Wayne County convention a committee was appointed to divide the county into representative districts, from each of which a candidate was to be nominated for the legislature.<sup>81</sup> In the Lenawee County convention a committee divided the county into districts for sending senatorial delegates.<sup>82</sup>

A few other Democratic organizing activities deserve mention. A state organization called the "Democratic Society of the State of Michigan" was formed at Detroit in August, to carry out the principles of the party, and held occasional meetings.<sup>83</sup> The German citizens of Detroit met in October and passed resolutions approving the Democratic nominations for state and county offices.<sup>84</sup> About the same time French Democratic citizens of Wayne County assembled and adopted a spirited address and resolutions, and several speeches in the French language were made to the meeting.<sup>85</sup> A meeting of the "adopted citizens" of Detroit also passed resolutions and appointed a vigilance committee. Democratic meetings were held in each of the wards of Detroit, after which, by order of the several ward committees, a meeting was held of all the Democrats in the city.<sup>86</sup> A vigilance committee of thirty-two was appointed to attend the polls on the days of election, and ten were named as challengers to be present at the canvassing of the votes. At the elections of 1838 in Michigan, as in the previous year, the Democratic ticket prevailed.<sup>87</sup>

The year 1839 was comparatively uneventful in party organization in Michigan. In March, Detroit was reorganized into six wards,<sup>88</sup> and in April, meetings in all of these sent delegates to a Detroit Democratic convention to nominate candidates for

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<sup>80</sup> *Niles Intelligencer*, Sept. 5, 1838.

<sup>81</sup> *Detroit Free Press*, Sept. 3, 1838.

<sup>82</sup> *Ibid*, Sept. 15, 1838.

<sup>83</sup> *Ibid*, Aug. 21, 1838.

<sup>84</sup> *Ibid*, Oct. 21, 1838.

<sup>85</sup> *Ibid*, Oct. 25, 1838.

<sup>86</sup> *Ibid*, Oct. 31, and Nov. 5, 1838.

<sup>87</sup> *Ibid*, Dec. 21, 1838.

<sup>88</sup> Farmer, *History of Detroit*, p. 147; Act of Michigan Legislature, March 27, 1839.



city offices.<sup>89</sup> Printed notices in blank for calling ward meetings were provided by the office of the *Detroit Press*.<sup>90</sup> In July the chairman of the Democratic state corresponding committee issued a call for a state convention to be held at Ann Arbor, September 11, for the purpose of nominating candidates to be supported for the offices of governor and lieutenant governor on the first Monday and Tuesday of November.<sup>91</sup> The usual series of township and county meetings preparatory to the state convention was held. One hundred forty-nine delegates attended and the candidates for governor and lieutenant governor were nominated by ballot.<sup>92</sup> A committee of one from each of the seven senatorial districts drafted resolutions. Three delegates were appointed to attend the national convention at Baltimore in May, to nominate a president and vice-president. A state corresponding committee was appointed, consisting of six residents of Detroit and a resident of each of the seven senatorial districts, thirteen in all, a majority of whom had power to call the next state convention. This state committee on September 30, issued a lengthy address to the Democrats of Michigan.<sup>93</sup>

From the first Wednesday of September until after the election in November, a weekly campaign paper, *The Democratic Republican*, was advertised to be issued from the office of the *Detroit Free Press* by the Democratic Association of Detroit.<sup>94</sup> Preceding the November election a series of rally meetings was held in Detroit. Special effort was made to gain the foreign population and one of the meetings was addressed by several Irishmen who endeavored to win the Irish vote.<sup>95</sup> But in spite of these systematic efforts the tables were turned and the election brought victory to the Whigs.<sup>96</sup>

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<sup>89</sup> *Detroit Free Press*, Apr. 12, 1839.

<sup>90</sup> *Ibid*, Apr. 4, 1839.

<sup>91</sup> *Ibid*, July 8, 1839; *Niles Intelligencer*, July 17, 1839.

<sup>92</sup> See *Detroit Free Press*, Sept. 13, 1839, for account of convention.

<sup>93</sup> Published in *Detroit Free Press*, Oct. 2, 1839.

<sup>94</sup> *Ibid*, July 15, 1839.

<sup>95</sup> *Ibid*, Nov. 1, 1839.

<sup>96</sup> *Ibid*, Nov. 11, 1839.

## CHAPTER V.

### CAMPAIGN OF 1840.

#### *Ohio.*

There remain to be sketched the chief organizing activities of the Democratic party throughout the Northwest in preparing for and conducting the campaign of 1840. First in Ohio, Indiana, and Illinois came the state conventions of December, 1839, and January, 1840, for the nomination of presidential electors. This convention was not held in Michigan until June, 1840. In the Northwest generally the campaign was marked by more activity than usual in the way of organization, not to mention the great mass meetings, celebrations, and speeches. There was not much that was new in the way of organization. The object of the party was rather to utilize to the utmost all that had been developed so that all the machinery previously organized was then brought into use.

In Ohio the most interesting political organizing activity in 1839 was the preparation for the biennial state convention of January 8, 1840. Unusual enthusiasm was shown and although the formal call for the convention was not issued by the state committee until early in November, a number of the counties had anticipated it and had already appointed delegates. In the circular which called the convention the committee said: "The first great object to be accomplished is an organization of our strength. To do this effectually we must have a rallying point. \* \* \* The committee prefer making no suggestions as to the ratio of delegation. Each county will judge in that point and send such number as they may prefer."<sup>1</sup> The county meetings appointed delegates accordingly. The Champaign County convention recommended "that as many attend the state convention as could."<sup>2</sup> The Morgan County convention specially appointed

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<sup>1</sup> *Ohio Statesman*, Nov. 6, 1839.

<sup>2</sup> *Ibid*, Nov. 20, 1839.

seventy-three "and all other Democratic citizens of this county who may attend."<sup>3</sup> One hundred thirty-eight were appointed in Perry County with power to appoint any others who should happen to be in Columbus on January 8.<sup>4</sup> In Delaware County fifty-four were chosen, "with power to add such others as they may think proper."<sup>5</sup> The Seneca County convention appointed thirty-nine "and all other Van Buren Democrats of Seneca County who may choose to attend the Columbus convention."<sup>6</sup> One hundred twenty-five were appointed in Richland County,<sup>7</sup> one hundred thirty-seven in Knox,<sup>8</sup> and one hundred eighty-eight in Ross County.<sup>9</sup> Some county conventions appointed delegates from the townships, others appointed them from the county as a whole and still others combined these two methods of appointment. The general committee of arrangements for the convention met in Columbus, December 26, and appointed a finance committee of three to collect funds to defray the expenses incident to the convention, and a committee of three to procure powder and superintend the firing of cannon.<sup>10</sup> Nine hundred twenty delegates attended from seventy-two counties.<sup>11</sup> The attendance was so large that the convention adjourned to the state house yard and held its deliberations in the snow. The officers chosen for the meeting consisted of a president, twenty-one vice-presidents, and five secretaries. Committees were appointed to draft an address and resolutions, and to select twenty-one presidential electors who were instructed to vote for the nominees of the coming national convention. Twenty-one delegates, two senatorial and one from each of the nineteen con-

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<sup>3</sup> *Ohio Statesman*, Dec. 13, 1839.

<sup>4</sup> *Ibid*, Jan. 8, 1840.

<sup>5</sup> *Ibid*, Dec. 31, 1839.

<sup>6</sup> *Ibid*, Dec. 31, 1839.

<sup>7</sup> *Ibid*, Dec. 24, 1839.

<sup>8</sup> *Ibid*, Dec. 27, 1839.

<sup>9</sup> *Ibid*, Dec. 27, 1839.

<sup>10</sup> *Ibid*, Dec. 27, 1839. The firing of cannon was perhaps rather to aid in the recurring celebration of the victory of New Orleans, than to aid the convention.

<sup>11</sup> For account of convention, see *Ohio Statesman*, Jan. 8, 9, and 10, 1840.

gressional districts, were selected to attend this convention at Baltimore in May. Governor Shannon was nominated for a second term. A state central committee of seven was appointed to serve for two years with power to fill vacancies in the electoral ticket. It was recommended that the Democratic young men of Ohio hold a convention on the third Wednesday in August at Mt. Vernon.

The organizing activity of the party in Ohio in 1840 exceeded that of any previous year. The whole population was astir and there was probably not a township in the state which did not have its appointed meetings for the election of delegates. A number of Democratic associations were formed and Hickory Clubs were reorganized or formed anew. The organization was frequently extended to the school districts. The Irish, the Germans, and the young men all were active and contributed their parts to organization. Political orators, too, with their elaborate itineraries, infested the state as never before; and great mass meetings, far overshadowing in number and size anything which had previously been held, were characteristic of the campaign.

The following examples will illustrate a number of these facts and show the general tendencies. A Hamilton County meeting in February recommended the establishment of Democratic associations in the wards and townships which should hold meetings for free discussion once a week and report their proceedings to the Democratic association at Cincinnati.<sup>12</sup> Early in February in Butler County, was formed the "Democratic Association of Hamilton and Rossville", which recommended "the revival of the *Hickory Club* [a newspaper] for disseminating correct political information."<sup>13</sup> The officers of the association and the central Democratic committee of the county were to appoint an editorial committee to conduct the paper. The latter part of February an active Hickory Club was formed by the citizens of Canton<sup>14</sup> and about the same time a similar club was formed in Columbus which met biweekly.<sup>15</sup> The Hickory Club

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<sup>12</sup> *Ohio Statesman*, Mar. 10, 1840.

<sup>13</sup> *Ibid*, Feb. 25, 1840.

<sup>14</sup> *Ibid*, Mar. 10, 1840, quoting *Stark County Democrat*.

<sup>15</sup> *Ohio Statesman*, Mar. 13, 1840.

in Madison County in July arranged for a public discussion on the subject of the next presidency.<sup>16</sup> In April the editor of the *Statesman* wrote that it was something new to see the township elections carried by party tests.<sup>17</sup> A Clermont County meeting in February appointed committees of vigilance in each township and authorized them to organize the school districts by appointing subcommittees if they deemed it expedient.<sup>18</sup> A Harrison County meeting selected township committees and requested them to appoint a subcommittee of vigilance in each school district.<sup>19</sup> A committee of vigilance for each school district was appointed in Guilford township, Medina County.<sup>20</sup> A Democratic Irish Club was organized by the Irish citizens of Fairfield County.<sup>21</sup> In May and June the Democratic Germans of Seneca County held meetings and organized.<sup>22</sup> A Democratic meeting of Germans was held at Columbus, September 1, and those present agreed to meet once a month to discuss politics.<sup>23</sup> A little later the Germans held a similar meeting in Fairfield County.<sup>24</sup>

Late in June the state central committee of the Democratic young men of Ohio issued a call for the state convention in August which had been recommended by the convention in January.<sup>25</sup> The call stated that the most ample preparations would be made for the accommodation of the thousands who would be in attendance; that the distinguished men of the Democracy of the Union had been invited and were expected to be present at the convention; and it recommended to the younger Democracy of Ohio that, upon this occasion, they so far depart from an established usage as to come themselves instead of sending delegates. The convention assembled at Mt. Vernon on

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<sup>16</sup> *Ohio Statesman*, July 8, 1840.

<sup>17</sup> *Ibid*, April 15, 1840.

<sup>18</sup> *Ibid*, Mar. 10, 1840.

<sup>19</sup> *Ibid*, Mar. 10, 1840.

<sup>20</sup> *Ibid*, Sept. 30, 1840.

<sup>21</sup> *Ibid*, Mar. 10, 1840, quoting *Ohio Eagle*.

<sup>22</sup> *Ohio Statesman*, June 3, 1840.

<sup>23</sup> *Ibid*, Sept. 9, 1840.

<sup>24</sup> *Ibid*, Sept. 30, 1840.

<sup>25</sup> *Ibid*, July 8, 1840, quoting *Mt. Vernon Banner*.



August 19 and held sessions in the grove at 7 A. M., 10 A. M., and 7 P. M.<sup>26</sup> A committee of three from each congressional district nominated a president, nineteen vice-presidents, and six secretaries; other committees drafted resolutions and an address to the young men of Ohio. Addresses were made by Col. R. M. Johnson, Governor Shannon, Senator Allen, and others. A state central committee of nine was appointed to hold office till their successors should be appointed. The attendance was estimated at twenty thousand. This was the largest meeting in the state, though a number of local meetings were notably large. A mass meeting at Dayton was attended by from ten thousand to fifteen thousand, and one at Mansfield by ten thousand. A Democratic nominating convention in Clermont County, August 15, was attended by three thousand.<sup>27</sup> As already suggested the stump speaker was in evidence in the Northwest in 1840 as never before. Long itineraries were planned covering the territory as thoroughly as possible.<sup>28</sup> Col. R. M. Johnson, Governor Shannon, and Senator Allen were the most prominent Democratic speakers. Colonel Johnson also visited Michigan and Indiana and addressed a series of Democratic mass meetings in each of these states.<sup>29</sup>

### *Indiana.*

In Indiana, aside from these numerous mass meetings and speakers, there was little that was new in the machinery of the campaign of 1840. Early in September, as usual, the movement began for the state convention on the eighth of January and county meetings began to be called for the appointment of delegates.<sup>30</sup> The Washington County meeting at Salem, September 14, 1839, after passing resolutions in support of the convention system and appointing delegates to the state convention,

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<sup>26</sup> Account given in *Ohio Statesman*, Aug. 26, 1840.

<sup>27</sup> *Ohio Statesman*, Aug. 26, 1840; *Niles' Register*, Sept. 5, 1840, quoting *Cincinnati Advertiser*.

<sup>28</sup> *Ohio Statesman*, Aug. 5 and 19, Sept. 26 and 30, 1840.

<sup>29</sup> *Ibid*, Sept. 26 and 30, 1840; *Western Sun*, Sept. 26, 1840; *Detroit Free Press*, Sept. 21, 1840.

<sup>30</sup> *Western Sun*, Sept. 7 and 21, 1839.

urged every Democrat of the county "to take, read, and circulate some public newspaper supporting sound Democratic principles."<sup>31</sup> It was further resolved "that every Democratic Republican in this county consider himself a committee of vigilance in addition to the township committees." The Pike County meeting resolved that "in order to sustain Democratic principles in the first congressional district and to regain the ground we have lost, it is indispensably necessary that we establish and maintain a good Democratic paper in said district, and that we patronize such paper to the utmost of our ability."<sup>32</sup> In Green County the method of choosing delegates to the state convention was unique. The county meeting chose a delegate from each of the townships and these were to meet and select from their number at least two to attend the convention.<sup>33</sup>

The convention was said to be attended by at least six or seven hundred from eighty of the eighty-four counties of the state<sup>34</sup> and was the largest thus far in Indiana.<sup>35</sup> Its chief object was to nominate candidates for governor and lieutenant governor and to select the nine candidates for presidential electors. The electors, as usual, were chosen by committees from the respective congressional districts. The candidates for governor and lieutenant governor were selected by a committee of seventy-two from the senatorial districts. A state central committee of seven was appointed with power to fill vacancies in the electoral ticket. The convention urged a generous support of Democratic newspapers; that conventions be held by the Democrats in every county in the state that year; that delegates

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<sup>31</sup> *Western Sun*, Oct. 5, 1839.

<sup>32</sup> *Ibid*, Nov. 23, 1839. This was in the southwestern district of the state and was one of the two districts in Indiana which the Democrats lost in 1839.

<sup>33</sup> *Ibid*, Nov. 23, 1839.

<sup>34</sup> *Madison* (Indiana) *Courier*, Jan. 18, 1840.

<sup>35</sup> A brief account of the convention is given in the *Western Sun*, Jan. 25, 1840. See also *Globe*, Jan. 16 and 30, 1840; *Niles Intelligencer*, Jan. 29, 1840. John Buttorf, a delegate from Charlestown, Clark County, and a soldier of the Revolution, being unable to attend, sent a note of regret (published in the *Sun*), and enclosed a \$5.00 bill to aid in defraying the expenses of the convention.

to these be chosen in primary assemblies, and that the nominees of these conventions be supported by the party. The nominees of this state convention were requested to expound these principles in every portion of the state. A long address to the people of Indiana was prepared by a committee, the chairman of which was Robert Dale Owen, who read the address to the convention.<sup>36</sup> Five thousand copies of it and the proceedings were ordered to be printed and distributed by a committee of three from each congressional district.<sup>37</sup> The convention appointed no delegates to the national nominating convention which was to meet in Baltimore in May. To supply this omission a Democratic meeting of "senators, representatives, and other citizens of the state" was held at the capitol, February 17, and appointed delegates from each congressional district.<sup>38</sup>

The further organizing activity of the party in Indiana in 1840 needs but a word in conclusion. There are accounts of the usual county and legislative district nominating conventions. Knox County, about Vincennes, showed excellent organization. Democratic associations were formed in most or all of its townships with their formidable array of officers including president, vice-presidents, recording secretary, corresponding secretary, treasurer, committee of vigilance and elections, committee of distribution, and committee of correspondence.<sup>39</sup> These associations held frequent meetings. In Indiana as in Ohio the political orator was conspicuous in the fall of 1840. In this work Col. R. M. Johnson and Robert Dale Owen did efficient service. Itineraries were mapped out for them by the party committees. Johnson wrote to Hon. John W. Davis, saying that after he reached Lafayette it would be his purpose to comply with such arrangements as might be thought most advisable.<sup>40</sup> Accordingly the local committees mapped his itinerary in much the same manner as is done for campaign speakers today.<sup>41</sup>

<sup>36</sup> *Niles Intelligencer*, Jan. 29, 1840.

<sup>37</sup> *Madison Courier*, Feb. 15, 1840.

<sup>38</sup> *Ibid*, Feb. 29, 1840.

<sup>39</sup> Accounts of the organization of these associations in *Western Sun*, Aug. 29—Oct. 10, 1840.

<sup>40</sup> *Western Sun*, Sept. 26, 1840.

<sup>41</sup> *Ibid*, Sept. 26, 1840.

*Illinois.*

In none of the other states of the Northwest did the Democratic party organization develop so rapidly in 1839-40 as in Illinois. This was because less advancement had been made there than in the other states, yet enough to prepare the soil thoroughly for the most rapid growth. In the fall of 1839 the preparations for the presidential campaign began. The Democratic state central corresponding committee issued a circular, October 10, calling a state convention at Springfield the second Monday in December, "for the purpose of adopting a more efficient system of organization and also to nominate candidates for presidential electors."<sup>42</sup> The circular read: "You are requested to immediately consult with your friends and call a meeting in your county and appoint delegates to the proposed convention. \* \* \* We would recommend an expression of opinion in your resolutions upon the subjects that agitate the country and upon the following particularly." Six subjects were then listed, four on national, and two on state politics, which served as standard texts for resolutions throughout the state. This explains the striking similarity of the resolutions adopted by the different county meetings at this time. The circular further recommended the appointment of corresponding committees of three for the counties, at or near the county seats, and committees of vigilance of three in each justice's precinct, to continue as permanent committees until others should be appointed. It requested that the proceedings of the meetings be forwarded to the *State Register* and to local Democratic papers for publication.

This call met with a generous response from counties throughout the state.<sup>43</sup> Many of the county meetings effected good county and precinct organization by appointing committees of correspondence and vigilance. A number of the preparatory meetings, too, were regular county conventions, composed of delegates from meetings in the precincts. The whole process was entered into much as it had been in the older states.

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<sup>42</sup> *Illinois State Register* (Springfield), Apr. 3, 1840.

<sup>43</sup> See *Illinois State Register*, Nov. and Dec., 1839.

The tendency to become more systematic and regular in procedure was shown in a senatorial district convention at Naperville, November 15.<sup>44</sup> After fixing a definite ratio of representation to county and district conventions, it was resolved, "that subsequent conventions receive no one as delegates therein, either original or appointed to supply vacancies, unless they shall produce authentic certificates of election, or of their appointment under some authority of the primary meeting; and in no case shall a vacancy be filled unless by some person from the ward or precinct vacant." It was voted that it should be the duty of the senatorial district corresponding committee to notify the corresponding committee of each county, and of the latter to notify each precinct of all calls of the district convention in future. At this time too, large mass meetings addressed by political orators abounded in Illinois. The fall campaign preparatory to that of 1840 began by a mass meeting in Springfield, November 19, which was addressed by Lincoln and Douglas in debate.<sup>45</sup>

The state convention met at Springfield, December 9, and was the largest thus far held in Illinois.<sup>46</sup> Two hundred forty-three delegates attended from fifty-six counties. The number of delegates from the different counties varied from one in many cases, to twelve and fifteen from Sangamon and Morgan. It was resolved, "that all regularly appointed delegates and such substitutes for absentees as those delegates have appointed, shall be received and considered as members of this convention." Resolutions and an address were adopted and five presidential electors were chosen, one from each of the three congressional districts and two at large for the state. A state central corresponding committee of nine was appointed, of which Stephen A. Douglas was chairman. A committee of five was to publish ten thousand copies of the proceedings and address and distribute them throughout the state. To defray the expense of this, they were authorized to receive contributions. A resolution was adopted in favor of a young men's state convention in June.

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<sup>44</sup> *Chicago Democrat*, Apr. 29, 1840.

<sup>45</sup> *Sheahan, Life of Douglas*, p. 41.

<sup>46</sup> *Illinois State Register*, Dec. 14, 1839.



The members pledged their influence and means to extend the circulation of Democratic newspapers. The Democratic editors of the state as a body were prominent in the convention.<sup>47</sup>

The spring of 1840 brought renewed activity in all parts of the state. An editorial in one of the leading papers of Illinois at that time read: "The convention system is becoming popular throughout the state. Both Democrats and Whigs are resorting to it as the best means of concentrating party strength and the best index of public sentiment. Thus far the regular nominees have been considered as binding upon both parties in the selection of candidates for August next."<sup>48</sup> Later the same editor wrote concerning a district convention to be held at Naperville, urging those who were not delegates to remember that "a rigid adherence to regular nominations constitutes the salvation of Democratic principles."<sup>49</sup> Precinct meetings now became quite common, and regular county and district conventions were held throughout the state. To illustrate the working of the system, as it was developing, and before committees had been appointed, a precinct meeting in Sangamon County in February, recommended a county convention in Springfield to nominate candidates for the August election and elected nine delegates to this convention.<sup>50</sup> This led to a call for the convention signed by one hundred ninety-five persons and published in the leading papers of the county.<sup>51</sup> The call requested all the Democratic voters of Sangamon County to meet in their respective precincts and appoint nine delegates from each to the county convention to nominate candidates for county offices and the legislature. The other three counties of the senatorial district were requested to send delegates from each of their precincts to this convention, for the purpose of nominating a candidate for the senate. The convention met at the time appointed and although but one precinct outside of Sangamon County was represented, a senator was nominated.<sup>52</sup> Sangamon itself was well repre-

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<sup>47</sup> *Illinois State Register*, Nov. 16, 1839, quoting *Quincy Argus*.

<sup>48</sup> *Chicago Democrat*, Mar. 30, 1840.

<sup>49</sup> *Ibid*, May 20, 1840.

<sup>50</sup> *Illinois State Register*, Mar. 13, 1840.

<sup>51</sup> *Ibid*, Mar. 27, 1840.

<sup>52</sup> *Ibid*, Apr. 17, 1840.

sented and nominated county officers and representatives. A senatorial district convention at Dixon, on the other hand, was attended by delegates from seven of the ten counties of the district.<sup>53</sup>

In pursuance of the recommendation of the state convention a movement for a young men's state convention in June was begun in the spring. Meetings in Will, LaSalle, and Cook Counties all appointed large numbers of delegates,<sup>54</sup> but owing partly to the fact that June was a busy time for farmers and perhaps still more on account of apathy, only a few counties responded. Accordingly the state committee at Springfield issued a circular<sup>55</sup> on May 13, suggesting that it was inexpedient to hold the young men's convention in June and the movement was dropped.

A Democratic meeting which casually assembled in Springfield early in June, recommended the Democracy throughout the state to meet at their respective county seats on the fourth of July for the purpose of organizing and harmonizing the party in each county.<sup>56</sup> Although at least one meeting was accordingly held in Sangamon County, this recommendation seems to have had no important results.<sup>57</sup> Early in September a "Sangamon Democratic Association" was formed at Springfield which adopted "articles of association" which were signed by one hundred two names.<sup>58</sup> One of the articles was: "Every citizen believing in the Democratic principles adopted by Thomas Jefferson, the apostle of American liberty, and who will attach his name to these articles, shall become a member of this association." An executive committee of nine was appointed which was requested to transmit a copy of the constitution to the Democratic citizens in each county of the state with the request that they organize associations as soon as possible. The association held meetings every Saturday night. About the middle of

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<sup>53</sup> *Chicago Democrat*, Apr. 13, 1840.

<sup>54</sup> *Ibid*, Mar. 23 and Apr. 29, 1840; *Illinois State Register*, May 8, 1840.

<sup>55</sup> *Illinois State Register*, May 15, 1840.

<sup>56</sup> *Ibid*, June 12, 1840.

<sup>57</sup> *Ibid*, June 26 and July 10, 1840.

<sup>58</sup> *Ibid*, Sept. 18, 1840.

October, through its executive committee it issued a stirring address to the voters of Illinois urging them all to attend the election.<sup>59</sup>

The usual series of great mass meetings addressed by stump speakers was held this season in Illinois as elsewhere, but one of the most important factors in securing the success of the Democrats at the polls in Illinois in 1840, was that of staying the suit in the courts for the disfranchisement of aliens and thus retaining the alien vote till after the fall election. This result was accomplished largely through the efforts of Stephen A. Douglas and secured about nine thousand additional votes for the Democratic cause, and thus saved the day by a small majority for the Democracy in Illinois.<sup>60</sup>

#### *Michigan.*

In Michigan before 1840 the Democracy had already shown perhaps, the best party organization in the Northwest and in the campaign of this year it maintained its high standard. On the first of February a call was issued from Detroit, signed by fifty-four citizens from eighteen counties, for a meeting of the Democratic citizens of the state at Detroit on February 22, "to take the necessary measures to insure the success of the Republican party at the next general election."<sup>61</sup> Democratic editors of the state were requested to extend the call. This meeting of the twenty-second urged upon the Democracy throughout the state the necessity of holding monthly meetings.<sup>62</sup> Those present resolved to exert themselves to the utmost of their ability, "to produce and perfect a thorough county, town, village, and school district political organization" and "to place information as far as possible in the hands of every voter." A committee of five was appointed to promote all these objects.

On the twentieth of April the state central committee issued a call for a state convention to be held at Marshall on the twenty-fourth of June, to nominate candidates for presidential

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<sup>59</sup> *Illinois State Register*, Oct. 23, 1840.

<sup>60</sup> For account of this see Sheahan, *Life of Douglas*, pp. 43-47.

<sup>61</sup> *Detroit Free Press*, Feb. 6, 1840; *Niles Intelligencer*, Feb. 12, 1840.

<sup>62</sup> *Detroit Free Press*, Feb. 24, 1840; *Niles Intelligencer*, Mar. 4, 1840.

electors and a representative in congress, and directed the county corresponding committees to take proper steps to have delegates appointed.<sup>63</sup> One hundred four delegates from twenty-nine of the thirty-one counties then in the state attended the convention.<sup>64</sup> As the national convention had left the nomination for the vice-presidency to the states, R. M. Johnson was nominated for reelection by this state convention and an invitation was extended to him to visit Michigan that summer. Candidates for presidential electors were nominated and both they and other nominees of the party in the state generally were urgently requested to deliver addresses and expound and disseminate Democratic principles. After an interesting contest<sup>65</sup> a candidate for representative in congress was nominated. A state central committee of seven residing at Detroit was appointed; also a state corresponding committee in each of the counties of the state, composed of three members, residing in one place. The counties, townships, and school districts which had not already done so, were urged to effect immediate organizations and their committees were requested to circulate Kendall's *Extra Globe* and other Democratic newspapers, speeches, and documents. The address to the people of the state prepared by the committee, filled nineteen columns of *Niles Intelligencer* and was published in four installments in this paper during September.

There were evidences here and there of solidifying and perfecting the party organization. The Berrien County Democratic committee restricted to a definite apportionment the number of delegates from the townships to the county convention.<sup>66</sup> The Democratic committee of Niles township, Berrien County, had a regular committee room where meetings were held and addresses given each Saturday evening for many weeks.<sup>67</sup> A "Democratic German Society of Michigan" was organized and held meetings

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<sup>63</sup> *Detroit Free Press*, Apr. 21, 1840; *Niles Intelligencer*, Apr. 29, 1840.

<sup>64</sup> For account of convention see *Detroit Free Press*, June 29, 1840; *Niles Intelligencer*, July 8, 1840.

<sup>65</sup> *Detroit Daily Advertiser*, June 30, 1840; *Detroit Free Press*, July 1, 1840.

<sup>66</sup> *Niles Intelligencer*, Sept. 9, 1840.

<sup>67</sup> *Ibid*, Aug. 26-Oct. 7, 1840.

every three months.<sup>68</sup> The Democratic association of Detroit met each month and a committee provided for an address at each meeting.<sup>69</sup> The Democratic ward committees of this city together formed the Democratic general committee which held meetings semimonthly.<sup>70</sup>

Political oratory was in demand this year in Michigan as elsewhere. Mr. Felch, the Democratic candidate for congress, was to address the citizens in seventeen different counties in October.<sup>71</sup> A political discussion was arranged to take place at Niles between J. S. Chipman and N. L. Stout, each of whom was to speak two hours, and another hour was given each for rejoinder.<sup>72</sup> Democratic newspapers too were supported. The Democratic association of Genesee County included in its bond of association, the obligation of its members to obtain for it a press.<sup>73</sup> Early in May a Democratic reading room in the city of Detroit was established by the Democratic committee of the city, where the leading Democratic papers of the state and county were provided.<sup>74</sup> An Ingham County Democratic meeting appointed a committee of three in each township to obtain subscribers for a paper advocating Democratic principles.<sup>75</sup> Beginning on August 12, the *Detroit Free Press* issued an Extra for three months as it had done for a shorter time the previous year.<sup>76</sup> This was particularly for the use of Democratic county committees for campaign purposes. An Ionia County meeting circulated a paper for subscriptions to the Extra *Free Press* and other Democratic papers for general distribution in that county.<sup>77</sup>

But notwithstanding all this organizing activity of the Democracy of the Northwest, it failed to withstand the opposi-

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<sup>68</sup> *Detroit Free Press*, Apr. 15, 1840.

<sup>69</sup> *Ibid*, Apr. 23, 1840.

<sup>70</sup> *Ibid*, May 12 and Sept. 16, 1840.

<sup>71</sup> *Ibid*, Oct. 1, 1840, gives itinerary.

<sup>72</sup> *Niles Intelligencer*, Sept. 30, 1840.

<sup>73</sup> *Detroit Free Press*, June 13, 1840.

<sup>74</sup> *Ibid*, May 14, and June 13, 1840.

<sup>75</sup> *Ibid*, Feb. 22, 1840.

<sup>76</sup> *Ibid*, July 24, 1840.

<sup>77</sup> *Ibid*, June 8, 1840.



tion arising from the Panic of 1837 and the allurements of the "Log Cabin and hard cider." The Democracy of the Northwest had not only learned the lesson of organization themselves; they had unintentionally taught this lesson to their rivals so well that with its aid and that of the above forces, the pendulum swung back and brought victory to the Whigs. With the exception of a small majority saved in Illinois, the Whig reactionary wave swept everything before it in the Northwest.<sup>78</sup>

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<sup>78</sup> Ohio, Indiana, and Michigan supported Harrison for president by good majorities. In the congressional election of 1840, Ohio elected Whigs in twelve of its nineteen districts and Michigan elected a Whig as her only representative. In Indiana and Illinois the elections to the twenty-seventh congress did not occur until 1841, when Whigs were elected in six of the seven districts of Indiana, and in two of the three districts of Illinois.

## THE AARON BURR CONSPIRACY IN THE OHIO VALLEY.

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MISS LESLIE HENSHAW, CINCINNATI.

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What the movement known as the Burr Conspiracy really was, will probably never be accurately known. It might have been one of three things; first, a filibustering expedition directed against Spain; second, a plan to revolutionize the West and join this section with Louisiana to form a new republic; third, a scheme to join the Western States and Louisiana with Spanish America to form an empire. To Burr's contemporaries whose attitude was influenced and intensified by the press of the day, it was a "Napoleonic" scheme to separate the Western States from the East, join them with Louisiana and Spanish America to form an empire with Burr as the Emperor and Wilkinson as second in command. Before this time, individuals and groups of individuals had turned with longing eyes towards Mexico but this affair marks the close of the period of wavering and by bringing patriotism to a head, solidified the attitude of the West in favor of centralization, so that from then on, we have the United States of America with no danger of any defection on the part of the West, a gradual decline of the old sectionalism with the new sectionalism from the standpoint of the North and South taking its place. The Ohio Valley was the leading section in the West at this time, therefore the "Burr Conspiracy" may be treated from that standpoint alone.

After the Hamilton-Burr duel and during the completion of Burr's term as Vice-President in Washington, a great intimacy had developed between Burr and General James Wilkinson and variety was added to their boarding house existence by discussing routes in the far Southwest and examining and drawing maps of that district. Before Burr's departure for the West, he had been concerned with Wilkinson, John Smith of Ohio, John Brown and General John Adair of Kentucky in an effort

to procure a charter for cutting a canal at the Falls on the Indiana side of the Ohio river, on which charter a bank was engrafted. He had also discussed with Matthew Lyon, a representative from Kentucky, the possibility of regaining his political fortunes by being returned to Congress from a Western state in the ensuing election. These facts had an important bearing on the situation that later developed in the West, although the canal project and the election idea dropped out almost immediately, the discussion concerning the Southwest materializing into what is known as the "Burr Conspiracy."

In the course of the planning and developing of the "Conspiracy," Aaron Burr made two trips through the western country, the first in the spring of 1805, the second in the fall of 1806. Before he left for the West, he wrote to his daughter to address him until further orders, Cincinnati, Ohio, care of John Smith, indicating an intimacy with him which might have been either real or assumed. April twenty-ninth, 1805, he arrived at Pittsburgh; from there, he wrote to his daughter to address him Frankfort, Kentucky, care of John Brown who had been concerned in the Spanish Conspiracy earlier. He continued down the river stopping at Marietta and Blennerhassett Island where he conversed with Mrs. Blennerhassett. Afterwards he wrote Mr. Blennerhassett regretting his absence and alluding to his talents as deserving a higher sphere than that in which they were employed. In this he courted disaster for he paved the way for putting his plans or the hint of them, in the hands of an egotistical "bungler." He arrived at Cincinnati, May eleventh, staying with Senator John Smith, whose occupation in this city was that of a merchant and army contractor. Here he met Jonathan Dayton of New Jersey, either to discuss the canal plan or as a fellow conspirator in the Spanish project. *The Western Spy* of May fifteenth, gives the following notice of his arrival: "On Friday last, Aaron Burr, esquire, late Vice-President of the United States, arrived in this town where he remained two or three days and then descended the Ohio on his way to New Orleans. 'It is reported,' says the Washington Federalist, 'that Colonel Burr is to be appointed Governor of Louisiana in the room of W. C. C. Claiborne.'" This last sen-

tence adds a fourth possible reason for Burr's western journey aside from the canal project, the probabilities of a Congressional election from a western state and the "Conspiracy" itself. The following week, the same paper comments: "We have for some time understood that a company has been formed in the Eastern States for the purpose of opening a Canal around the Falls of the Ohio and erecting a Waterworks at that place. Colonel Burr it has been said, was concerned in that Company and we presume his visit to this country is principally confined to that object." Evidently the western public knew little of Burr's real purpose but was interested enough in his presence in their midst to offer conjectures as to the cause of his being there.

Burr then descended the Ohio as far as Louisville and from there went overland to Frankfort, staying at the home of John Brown; from there he went to Lexington, arriving May 22,<sup>1</sup> and to Nashville spending the time from May twenty-ninth to June third with Andrew Jackson. It was announced from Kentucky that he was not to be governor of Louisiana and was not interested in a canal at the Falls but was traveling for amusement and information.<sup>2</sup> Thus a new reason for his presence in the West is added to the galaxy already offered.

It was apparently planned that he was to meet Wilkinson, for the general followed Burr down the Ohio, stopping at Cincinnati May twenty-second, leaving the twenty-third.<sup>3</sup> He continued on to Louisville and from there wrote John Adair, May twenty-eighth, 1805: "I was to have introduced my friend Burr to you but in this I failed by accident. He understands your merits and reckons on you. Prepare to meet me and I will tell you all. We must have a peek into the unknown world beyond us."<sup>4</sup> This letter of introduction was written to a man who had already been concerned with Wilkinson and Burr in the canal charter, before Burr had journeyed to the West.

Burr descended the Cumberland River to the Ohio and met Wilkinson at Fort Massac leaving there the tenth of June, bearing a letter of introduction from Wilkinson to Daniel Clark of New Orleans as follows: "This will be delivered to you by Colonel Burr whose worth you know well how to estimate \* \* \*. To him, I refer you for many things improper to

letter and which he will not say to any other.”<sup>5</sup> Thus at this early date, something existed between the two men which was “improper to letter.” Further significance is added to this situation by the fact that Burr carried with this another letter of introduction to Casa Calvo, commissioner for Spain in the Louisiana boundary question. It is dated Washington the eighteenth of March, 1805, and introduces “my eminent friend, Colonel Burr, a man of a million qualities” and is signed J. W. He also wrote a letter marked confidential at Fort Massac, June 9, 1805, asking Casa Calvo to “serve this gentleman” (Burr); “He is my friend \* \* \*. Your great family influence will promote the views of Colonel Burr and the great interest of your country will be served in following his advice \* \* \*. Do as I advise you and you will soon send to the devil that boastful idiot W. C. C. Claiborne.” A postscript is added to the following effect: “Burn this and tell my son and Armesto<sup>8</sup> that I am always the same, your unalterable friend.”<sup>7</sup> Wilkinson then went on to St. Louis, arriving July first,<sup>8</sup> where Burr met him later after his return from the South. Burr, continuing southward, stopped at Natchez, June seventeenth, where he was entertained by Governor Williams of Mississippi territory. He arrived in New Orleans the twenty-first of June, remaining there until July tenth. Here he was entertained by Governor Claiborne and Daniel Clark. He then went back to Natchez and on to Nashville, spending the week from August sixth to August thirteenth with Andrew Jackson. He spent August twentieth to thirty-first at Frankfort with John Brown and at Lexington; he arrived at Louisville September second, then went to St. Louis meeting Wilkinson there September twelfth. On his way east, he stopped at Vincennes, September twenty-third, then at Cincinnati arriving October first, then to Chillicothe and Marietta from the seventh to the tenth, arriving at Pittsburgh the twentieth.

December thirty-first, 1805, Blennerhassett wrote to Burr: “I shall be honored in being associated with you in any contemplated enterprise you would permit me to participate in;”<sup>9</sup> to which Burr answered from Washington, April fifteenth, 1806: “Independent of considerations personal to myself, I learn with



utmost pleasure that you are to be restored to the social and active world."<sup>10</sup> Thus by flattery were Blennerhassett's services gained, allowing him to feel that the Burr plan had the sanction of the government and needed only a declaration of war with Spain to put it in motion.

In preparation for Burr's second journey to the West, a number of letters were written to General Wilkinson. General Dayton in the cipher, used by Burr and Wilkinson in the past, wrote July twenty-fourth, 1806: "It is now ascertained that you are to be displaced in the next session. Jefferson will affect to yield reluctantly but yield he will; prepare yourself therefore for it, you know the rest. You are not a man to despair or even despond, especially when such projects offer in another quarter. Are you ready? Are your numerous associates ready? Wealth and Glory! Louisiana and Mexico! I shall have time to receive a letter from you before I set out for Ohio. Address to me here and another to me in Cincinnati. Receive and treat my nephew affectionately as you would receive your friend.—Dayton."<sup>11</sup> This was carried by his nephew, Peter Ogden of New Jersey to Wilkinson. July twenty-ninth, 1806, Burr wrote a letter of introduction to Wilkinson for Samuel Swartwout of New York who was to carry it and also the famous cipher letter which, according to Wilkinson's testimony later, contained his plans for the expedition down the Ohio and Mississippi, a duplicate of which was sent in Dr. Erick Bollman's care by the sea route to New Orleans.

On his second journey to the West, Burr arrived at Pittsburgh, August twenty-second, 1806. *The Pittsburgh Commonwealth* of August twenty-seventh says that he was traveling incognito and was perfectly taciturn and that during his stay many conjectures were afloat.<sup>12</sup> He stopped at the home of Colonel George Morgan near Cannonsburg, Pennsylvania. Morgan was a former Revolutionary soldier and had drawn up a contract October third 1788, with Gardoqui, the Spanish representative in the United States, for a grant of land at New Madrid on the Mississippi river opposite the mouth of the Ohio with privileges of free trade down the river. This had not pleased Wilkinson who had just obtained a renewal of his

license for navigation of the Mississippi from Miro, the Spanish commander at New Orleans and Morgan's charter had been revoked.<sup>13</sup>

Burr evidently expected Morgan on account of his earlier career, to listen to his plans with eagerness but Morgan had developed in the meantime an ardent and unexpected patriotism. According to his testimony, Burr, while alone with the Colonel, asked him if he knew of a Spaniard at Vincennes by the name of Vigo, by way of introducing a hint of his scheme and sounding his listener. Morgan replied that he had reason to believe that this Vigo was deeply involved in the Conspiracy of 1788 and called it a nefarious scheme aiming at a division of the States. He considered Burr's mention of the Spaniard of such importance to the welfare of the country that he wrote a letter to Jefferson informing him of the conversation.<sup>14</sup>

Burr descended the river as far as Blennerhassett Island. Immediately following this, there appeared in the *Ohio Gazette* of Marietta a series of articles signed "The Querist," discussing the probability of a separation of the Western States from the East and the desirability of such a separation. These articles were attributed to Blennerhassett, following out the suggestion of Burr. Blennerhassett, according to testimony presented in the Burr trial, showed the first and second numbers of "The Querist" before their publication to Alexander Henderson of Wood County, of which county Blennerhassett Island was a part, and told him in confidence that Burr planned a separation of the Union, that New Orleans was to be seized and the Western country revolutionized.<sup>15</sup>

Burr proceeded onward to Cincinnati, arriving September fourth, 1806, and again staying at the home of John Smith. As early as September eighteenth of the previous year *The Western Spy* had published a series of queries from *The New York Herald*, insinuating that it would not be long before the West would be revolutionized, the government separated and Mexico reduced with the aid of Great Britain, under the leadership of Burr. On October twenty-first 1806, *The Spy* begins a series of articles by "Regulus" in answer to "The Querist." John Smith was very active in discussing the "Querist" articles and

boasted that he knew more of Burr's plans than any man in Ohio save one.<sup>16</sup> That one thus referred to, might have been Dudley Woodbridge of Marietta, business partner of Blennerhassett with whom Burr had various commercial dealings.

From Cincinnati, Burr went to Lexington, arriving September eleventh<sup>17</sup> and then to Nashville arriving September twenty-seventh. On the fourth of October, Jackson issued a proclamation to the militia of Tennessee, calling for volunteers for an expedition against the Spaniards. From there, Burr returned to Lexington, staying at the home of Mr. John Jordan, concluding with Colonel Charles Lynch the purchase of the Bastrop lands in the Red River country. Here he was met by his daughter Theodosia whom Blennerhassett had brought down from his island home. From Lexington, Burr wrote to William Henry Harrison, October twenty-fourth, 1806, sending a newspaper containing the Jackson proclamation, suggesting similar action on his part: "All reflecting men consider a war with Spain inevitable; in such an event I think you would not be at ease as an idle spectator. If it should be my lot to be employed where there is reason to expect, it would be my highest gratification to be associated with you."<sup>18</sup>

During October and November, "fellow conspirators" were making preparations for the expedition down the river; Colonel Barker was building boats in the Muskingum under contract with Dudley Woodbridge; Comfort Tyler in Pittsburgh was collecting recruits and provisions; Davis Floyd at Jeffersonville was gathering recruits to settle the Washita lands on the banks of the Red River. At this point, the tide begins to turn against Burr and from now on, he is a man marked for failure. A movement in Kentucky to defeat the project was rapidly gaining ground. *The Western World*, a "yellow journal" of Frankfort, printed by Joseph Street, had been publishing a series of muck raking articles on "Conspiracy," written by Humphrey Marshall, which had been copied by other Western newspapers and had agitated that part of the country against Burr. Joseph Hamilton Daviess, an attorney at Frankfort, rose in the Federal Court of Kentucky, November fifth and made affidavit that he had information that Aaron Burr had set on foot and was

preparing for a military enterprise to descend the Ohio and Mississippi to make war on the subjects of the King of Spain and that his agents had purchased large stores of provisions. He asked the court to compel the personal appearance of Burr. He stated that he recognized the fact that Burr might import arms and engage men but these would be no offense against the law but it was the design, the intent which constituted his misdemeanor. Judge Harry Innis who had been involved with John Brown in the Spanish conspiracy of 1788<sup>19</sup> and had aroused the everlasting enmity of Humphrey Marshall, writer of the articles on "Conspiracy" in *The Western World*, declined to give an opinion without time for consideration. November eighth, he stated that he had found no legal evidence to authorize the arrest of Burr. He said that he did not doubt the truth of the affidavit and thought the facts might even be true but it was not legal evidence. Daviess then moved for a warrant to summon the grand jury before whom he would prefer an indictment against Colonel Burr which was granted. At this point, Burr entered, accompanied by his counsel, Henry Clay, and stated that he had made it his business to present himself for investigation. November twelfth after the jury had been discharged, Burr again addressed the court, requesting to know the cause of the discharge of the grand jury and Daviess was compelled to state that it was because of the absence of his chief witness, Davis Floyd, who was in attendance as a member of the Legislature of Indiana territory. Burr rose again and made it understood that he had used every exertion in his power to compel the attendance of witnesses.<sup>20</sup> Burr was the "man of the hour" on account of his open and frank conduct in this trial but although acquitted for lack of evidence, his project suffered nevertheless from the mere fact that too much attention was drawn to it. At this time, Burr wrote to Blennerhassett, "It is probable that villains enough may be found to encounter all perjuries which may gratify malice \* \* \* You perceive that this will embarrass me in my project of the Washita settlement."<sup>21</sup>

The fact that Henry Clay was attorney for the defense of Burr is certainly of some interest at this point. The agitation

worked up by *The Western World* had cast suspicion on some of the most prominent men of Kentucky as concerned in the conspiracy to annex Kentucky to Spain. Many of the men on whom the shadow fell were Clay's personal friends and when an indictment for the same offense was made against Colonel Burr, Clay, considering Burr a "persecuted patriot" and realizing the benefit of his reputation as a young lawyer in having so distinguished a client as the former Vice-President of the United States, was ready to defend him in court. He was assured by Burr that his plans meant no harm to the United States. That his opinion changed later is shown by the fact that in a court room in New York City in 1815, he publicly refused to shake hands with his former client.<sup>22</sup>

Opposition to Burr was developing from another quarter. John Graham, Secretary of Orleans Territory, was requested by Madison to pass through the western country on his way to New Orleans to follow Burr on account of information that a project was on foot to sever the Union and invade the territories of Spain. This move was the direct result of dark hints from Wilkinson to Jefferson, after Swartwout's arrival at Wilkinson's military camp at Nachitoches on the Texas frontier October eighth and the delivery of the letter of introduction written by Burr at Philadelphia and the sealed packet containing the cipher letter of July twenty-ninth. Graham, in pursuit of Burr, stopped at Marietta where Blennerhassett called on him and told him of the Bastrop lands purchase; he contended that the object of the Burr enterprise was legal and that the government had no right to interfere. Graham considering Blennerhassett a deluded man, told him that he was the agent of the government to look into the enterprise and take steps to repress it if necessary and that he believed that Burr intended to attack the territory of the United States and that of Spain.<sup>23</sup>

While Blennerhassett was in Lexington, Alexander Henderson, a Federal leader in Wood County where Blennerhassett was prominent as a large property holder and a Democrat, organized opposition and called a mass meeting of citizens where resolutions were passed October sixth condemning the "hostile" movements. Mrs. Blennerhassett alarmed by this situation, sent



Peter Taylor her gardener, in search of her husband. Taylor went to Smith's store in Cincinnati and not finding Blennerhassett there, was sent to Lexington with a letter from Smith to Burr. This was dated October twenty-third 1806, and states that "we have in this quarter various reports prejudicial to your character. It is believed by many that your design is to dismember the Union; although I do not believe you have any such design, yet I must confess from the mystery and rapidity of your movements that I have fears, let your object be what it may, that the tranquillity of the country will be interrupted unless it be candidly disclosed, which I solicit, and to which I presume you will have no objection."<sup>24</sup> To this Burr replied: "If there exists any design to separate the Western from the Eastern States, I am totally ignorant of it. I never harbored nor expressed any such intention to any one, nor did any person ever intimate such design to me. Indeed, I have no conception of any mode in which such a measure could be promoted, except by operating on the minds of the people and demonstrating it to be to their interest. I have never written or published a line on this subject nor ever expressed any other sentiments than those you have heard from me in public companies at Washington and elsewhere and in which I think you concurred. I have no political views whatever,—those which I entertained some months ago have been abandoned. Having bought of Colonel Lynch 400,000 acres of land on the Washita, I propose to send thither this fall a number of settlers \* \* \*. Mr. J. Breckenridge, Adair and Fowler have separately told me that it was the strong desire of the administration that American settlers should go to that quarter and that I could not do a thing more grateful to the government. I have some other views which are personal merely and which I shall have no objection to state to your personally but which I do not deem it necessary to publish. If these projects could any way affect the interests of the United States, it would be beneficially. Yet I acknowledge that no public considerations have led me to this speculation but merely the interest and comfort of myself and friends. P. S. It may be unnecessary to caution but I never write for publication."<sup>25</sup> This letter so indefinite in expression would arouse suspicion from that

fact alone and contains in it the essence of Burr's method "operating on the minds of the people and demonstrating it to be to their interest."

In November, Smith went on a supposed business trip to Cynthiana, Lexington and Frankfort where he met Burr while he was on trial but left the next morning after being told he might be summoned as a witness. November twenty-first, Burr was in Cincinnati again<sup>26</sup> but this time he did not stay with Smith but stopped at a tavern. November twenty-seventh, he wrote Harrison from Louisville: "I have no wish or design to attempt a separation of the Union, I have no connection with any foreign power or government; I never mediated the introduction of any foreign power or influence into the United States, or any part of its territories<sup>27</sup> but on the contrary, I should repel with indignation any proposition or measure having that tendency; in fine, I have no project or views hostile to the interests or tranquillity or union of the United States or prejudicial to its government. \* \* \* It is true that I am engaged in extensive speculations and that with me are associated some of your intimate and dearest friends. The objects are such as every man of honor and every good citizen must approve. They have been communicated to several of the principal officers of the government, particularly to one high in the confidence of the administration. Indeed, from the nature of them, it cannot be otherwise, and I have no doubt of having received your active support, if a personal communication with you could be had. Accident and indispensable occupation have prevented me from writing you for that purpose."<sup>28</sup>

Early in December, the expedition itself was started. Comfort Tyler's party left Beaver, Pennsylvania, December first, passing Marietta December ninth and continued down the river to Blennerhassett Island. November twenty-sixth, Henry Dearborn, Secretary of War, had written to Edward Tiffin, the Governor of Ohio, informing him of the hostile plan and asking him to send a detachment of Ohio militia to Marietta to seize the boats that the Burr party expected to use.<sup>29</sup> Tiffin acting on this advice and with the support of the Ohio Legislature, issued an order to arrest the flotilla on the Muskingum, and accordingly

General Buell seized the boats December ninth. Blennerhassett, alarmed by this situation, joined the Tyler party and left the island in the middle of the night of December tenth. The same day Tiffin wrote to Major General Gano of Cincinnati, enclosing the President's proclamation of November twenty-seventh on the Burr "treason" and appointed Judge Matthew Nimmo, General James Findlay and Gano as a commission to organize the militia of that district, guard the river and examine all boats passing down.<sup>30</sup> This reached Cincinnati December thirteenth,<sup>31</sup> and as a result the militia were ordered out. Gano wrote to Tiffin December fifteenth, informing him of a lack of provisions and ammunitions but that despite this, a detachment had been sent up the river to Columbia to stop and examine all boats.<sup>32</sup> This detachment was ordered by Gano to pursue any boats which might slip by and not to shed blood unless fired upon.<sup>33</sup> Similar activity was evinced by the Kentucky militia but despite all precautions of the Cincinnati and Newport guards, the expedition passed in the night of December fourteenth without being noticed. Only one thousand dollars had been appropriated by the state for the equipment of the militia with provisions and arms, so Gano went to John Smith, showed him the President's Proclamation and told him of the lack of funds. Smith promised to pay one half of the expenses, if Gano, Findlay and Nimmo would pay the other half. Later, when arms could not be secured, Smith offered ten thousand dollars to insure their delivery.<sup>34</sup> This attitude developed immediately upon being shown the Jefferson Proclamation. At Louisville, the militia there detained Blennerhassett and party but were forced to let them go because nothing of suspicious character was found aboard the boats. December sixteenth the Blennerhassett-Tyler party was joined by the Floyd party at Jeffersonville and proceeded onward. Burr coming down the Cumberland from Nashville met them at the mouth of that river late in December. Word was sent ahead to Fort Massac announcing their coming. Daniel Bissell, commanding the fort, sent Sergeant Jacob Dunbaugh up to call on Burr and render assistance if necessary. Bissell reported January fifth 1807, to General Jackson who had received orders from the Secretary of War too late to stop

the expedition at Fort Massac, that there were about ten boats and sixty men and nothing on board that would even suffer a conjecture that they were more than men bound to market.<sup>35</sup> Dunbaugh obtained leave of absence with Bissell's permission and one mile below Fort Massac joined the Burr party. January first, they stopped at New Madrid and there men were sent forward to recruit more men at twelve dollars and a half a month and one hundred acres of land to go to the Washita country.<sup>36</sup> Whatever had been the original plan for the expedition, too much public notice had forced it to resolve itself into a small party of land settlers bound for new Territory. January fourth, Burr arrived at Chickasaw Bluffs (now Memphis).

As has been said before, Swartwout arrived at Nachitoches October eighth with the letter of Burr's to Wilkinson and the sealed packet, the contents of which he claims to have been ignorant of. According to Swartwout, when he left Philadelphia he carried a letter which he himself had put into cipher and copied at Burr's request and at Pittsburgh had received a sealed paper from Peter Ogden with a message from the Colonel to destroy the cipher letter and deliver the sealed paper in lieu of it.<sup>37</sup> The interpretation of the cipher letter of July twenty-ninth which Wilkinson claims was in the sealed packet delivered by Swartwout, was not sent to Jefferson by the general until December sixth. This interpretation forms a part of an affidavit charging Swartwout and Ogden with treason and was not received by Jefferson until January twenty-third.<sup>38</sup> Following is the interpretation in part: "I, Aaron Burr, have obtained funds and have actually commenced the enterprise. Detachments from different points, and under different pretences, will rendezvous on the Ohio 1st November; everything internal and external favors views; protection from England is secured; T. is going to Jamaica to arrange with the admiral on that station; it will meet in Mississippi—England—navy of United States are ready to join, and final orders are given to my friends and followers; it will be a host of choice spirits; Wilkinson shall be second to Burr only; Wilkinson shall dictate rank and promotion of his officers; Burr will proceed westward 1st August, never to return; with him go his daughter; the husband will follow in October with a



corps of worthies \* \* \*. Burr's plan of operation is to move down rapidly from the falls on 15th November with first five hundred or one thousand men in light boats now constructing for that purpose, to be at Natchez between the 5th and 15th of December, there to meet Wilkinson; there to determine whether it will be expedient, in the first instance, to seize on or pass by Baton Rouge."<sup>39</sup>

To return to the Burr party, January fourth and fifth, the flotilla was at Chickasaw Bluffs. Jacob Jackson in command there was engaged to enter the expedition with the understanding that it was a secret preparation of the government in the event of war with Spain and he was given one hundred and fifty dollars in bank notes and a draft for five hundred dollars on John Smith, to raise a company of men to join them.<sup>40</sup> In the meantime, the militia of Mississippi Territory had been sent by Cowles Meade, the Acting Governor, to the mouth of Cole's Creek to intercept the expedition. Burr, reaching the Territory January tenth went ahead to Bayou Pierre, where it is claimed he received news of the President's Proclamation and arranged with Poindexter and Shields of the Governor's staff to meet the Governor. He agreed to go to Washington, the capital of Mississippi Territory, for trial where he was acquitted because the acts of which he was accused were committed outside the Territory. The boats were searched for arms and although none were found, the Blennerhassett Journal states that a party was sent out the night before to obviate effectually the success of the design. Cowles Meade wrote to Dearborn, at this time, informing him of a letter from Burr, avowing the innocence of his views and the fallacy of certain rumors against his patriotism; his object was agriculture, his boats the vehicles of emigration.<sup>41</sup> After the trial Burr fled but was captured as a fugitive from justice by Lieutenant Gaines of Fort Stoddert and carried to Richmond, Virginia for trial. All the chief men concerned with Burr, Adair, Floyd, Tyler, Blennerhassett, Dayton and Smith were arrested in New Orleans and sent to Richmond also.

Not only did Graham follow the Burr party in behalf of the United States government but also a Spaniard, Jose Vidal, followed on the heels of the expedition for Spain. He left



Cadiz August first, 1806 and arrived in Philadelphia in October, "just at the time Colonel Burr and his associates were conjuring up the plan on the Kingdom of Mexico."<sup>42</sup> He was sent by Casa Yrujo, Spanish minister to the United States, to follow Burr and left Pittsburgh the first day of December; thirty-six days later he arrived at Natchez, where he received orders to go to the frontier and into the "interior provinces," and report on conditions there and warn them of Burr's intentions and plans. According to this Vidal, a friend of Wilkinson, a commander of the Spanish garrison on the United States frontier before this time and later the vice-consul at New Orleans, he followed Burr day and night and never was out of sight of the expedition.<sup>43</sup> He traveled in his own boat and took his children with him to avoid suspicion. In his report to Yrujo, he expresses the opinion that "the expedition referred to, resolves itself into nothing."<sup>44</sup>

Burr's first journey through the West shows several interesting phases. He had planned to visit Smith at Cincinnati and Brown at Frankfort before he left the East and expected to meet Wilkinson with whom he had already had dealings "improper to letter". He satisfied the curiosity of the people by saying that he was traveling for information and amusement, when he found that there was interest enough in his very presence in the country to arouse conjectures as to the cause of his being there. He allowed himself to be publicly entertained by such prominent men as the governors of Orleans and Mississippi Territory and General Andrew Jackson, so as to add to his prestige in the Western Country. Suspicion was already afloat before he arrived in the West on his second journey and after feeling the pulse of the people by "The Querist" articles and finding that there was not so much enthusiasm as there might be for a separation of the West from the East, he purchased the Bastrop lands so as to be able to use the settlement of them as his purpose and await an opportunity there to carry out his original intention. His chances were spoiled by a combination of the "Western World" agitation and the activity of Graham in behalf of the administration and the less important move on the part of Henderson of Wood County to set the people against him. But the country was worked up to a fever pitch by it, the

militia was called out and Burr's "army" was to be set upon and defeated. That Burr was a great student of human nature is shown by the fact that he succeeded in interesting so many prominent men in the scheme; he always "knew his man"; he gained Harrison's, Jackson's and even the less important Jacob Jackson's approval by appealing to their patriotism, for to them his scheme was a military one sanctioned by the government for an expedition against the Spaniards. Blennerhassett he gained by flattery, for he was to increase his social prestige by association with so many prominent men in an enterprise that would bring him back into the active world. He probably appealed to Smith's pocketbook for this man was a large landholder in Spanish territory. He made a psychological mistake by trying to feel his way with Colonel Morgan but realized it before he disclosed anything. He made no direct statements but allowed the other men to jump at conclusions, and invariably insinuated that he was backed by prominent men. When brought to trial, he always appeared willing and anxious for investigation but it is certainly a subject for comment that all the men concerned with him were either traveling with him on the actual expedition down the Mississippi or were moving toward New Orleans as separate individuals.

## NOTES.

1. Kentucky Gazette (Lexington), May 28, 1805.
2. Kentucky Gazette, May 28, 1805.
3. Western Spy, May 29, 1805.
4. Clark "Proofs of the Corruption of General James Wilkinson," Note 78, Page 158.
5. Clark's "Proofs", Page 119, dated Massac., June 9, 1805.
6. Secretary to Caso Calva.
7. Translation from the Archives of the Indies, Seville, The Audencia of Santo Domingo, Louisiana and Florida, 1800-1837, Section I, Shelf 10, Legajo 87. (Information supplied by I. J. Cox.)
8. Western Spy, September 4, 1805.
9. Safford. "Blennerhassett Papers", Pages 118 and 119.
10. Safford "Blennerhassett Papers", Page 119.
11. American State Papers, Miscellaneous, volume I, Page 559; Clark's "Proofs," note 80, Page 159.
12. American State Papers, miscellaneous I 502.

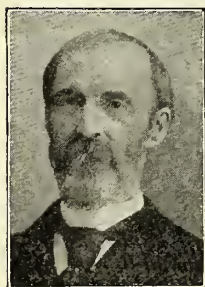
13. Winsor "The Colonies and the Republic West of the Alleghanies, 1763-1798," Page 366.
14. American State Papers, miscellaneous I 503.
15. American State Papers, miscell. I 525.
16. Harper's Speech defending Smith in Congress, April 6, 1808 from Benton's Abridgment of Debates, volume III, Senate Proceedings.
17. Kentucky Gazette, September 11, 1806.
18. Clark's "Proofs," Note 1, Pages 16 and 17.
19. Green, "Spanish Conspiracy."
20. Western Spy, November 25, and December 2, 1806, copied from The Western World.
21. Blennerhassett Papers, 15, 154.
22. Prentice, "Life of Henry Clay," Pages 31.
23. Testimony of John Graham in the Burr trial—American State Papers—miscell. I 528, 529.
24. Adam's Speech in Debate on Smith case in the Senate April 8, 1808, Benton vol. III.
25. From Adam's Speech in the Senate.
26. Western Spy, November 25, 1806.
27. He had been in correspondence with the Spanish and English representatives in the United States the previous year.
28. Clark's Proofs, note I, Page 17.
29. Gano Papers (a manuscript collection in the possession of the Historical and Philosophical Society of Ohio), volume III, Page 5.
30. Gano Papers, III 5.
31. Western Spy, January 6, 1807; Gano III 27.
32. Gano III 7.
33. Gano III 11.
34. Gano III 27. Deposition of John Gano for Smith Trial in the Senate.
35. American State Papers, miscell. I 474.
36. American State Papers, miscell. I 508, Testimony of Thomas Hartley.
37. Gano III 45, Deposition of Samuel Swartwout.
38. American State Papers, miscell. I 472.
39. American State Papers, miscell. I 472; also in Clark's Proofs, Note 81, Pages 160 and 161.
40. American State Papers, miscell. I 611.
41. Third Annual Report of the Director of the Department of Archives and History of State of Mississippi 1903-04, Page 52.
42. Archives of Indies, 87, I, 10, Vidal to Godoy, Prime Minister of Spain, Philadelphia, August 8, 1807.
43. Archives of Indies, 87, I, 10, Vidal to Antonio Samper, Philadelphia, August 8, 1807.
44. Archives of Indies. 27, I, 10, Vidal to Yrujo, Philadelphia, July 1, 1807.

## THE EVOLUTION OF SANDUSKY COUNTY.

BASIL MEEK.

The limits of the following sketch will allow only, in brief outline, some of the more important facts and incidents pertaining to the governmental relations of that portion of country, lying immediately south of Lake Erie which became Sandusky County, and also of the greater area known as the Northwest Territory holding the same in embryo, while it was passing to its organic limits as a separate county.

A view of the country comprising the county, with its broad, fertile fields, productive orchards, and sightly woodlands; its fair capital city, with its great factories and successful merchants; its thriving villages; its churches and school houses, steam and electric railways, telegraphs and telephones, automobiles, improved roads, rural mail delivery and beautiful homes in city, village and country, with its prosperous and happy thousands of population, would scarcely allow the thought, that but little over a century ago all this region was in reality a "howling wilderness" without the presence of a white man; yet such is veritable



BASIL MEEK.

history. And geologists inform us of what is still more wonderful: That all this country of which we are writing was once the bottom of a sea, believed to have been the Gulf of Mexico extending thus far northward; that it finally emerged from the depths of this sea and after it thus appeared above the waters many thousands of years ago there came down upon it from the north a mighty ice flood or glacier, which completely enveloped it to a very great depth. That this great ice flood or glacier brought with it hard and soft rocks, which in its tremendous unmoving course, it crushed and pulverized, between

the bed rocks and those held in its frozen embrace, thereby creating what is known by geologists as till or boulder clay, but which is commonly called ground of earth, which the glacier, when it finally disappeared, left distributed upon the bed rock throughout the region over which it passed, forming the basis of the rich and productive soil for which the valley is noted.

The county when first erected (1820) included all of the congressional townships, beginning with number four, north of the base line, or forty-first degree north latitude, contained within north ranges thirteen, fourteen, fifteen, sixteen and seventeen; and extending northerly to Lake Erie. Its eastern boundary was the western boundary line of the Connecticut Reserve. And as now bounded is mainly within what is known as the Lower Sandusky valley, being the district of country drained by the Sandusky river and bay, although some of the northwest part of the same drains through the Portage river direct into Lake Erie.\*

#### THE RIVER.

The beautiful Sandusky rises in Richland county and from thence passing through the counties of Crawford, Wyandot and

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\* W. C. Mills, in his "Archaeological Atlas of Ohio," says:

"Sandusky County was one of the most strategic and important sections of Ohio in aboriginal times. It was chiefly remarkable as being probably the most important trail center in the state. Around Sandusky Bay there were a number of aboriginal towns and at this point the greatest trails centered. Among these was the so-called Great Trail from the Allegheny region, which passed on around the lake and thence northward; the Shore trail, which followed the south shore of the lake; the trails running north and south along the Sandusky and Scioto Rivers to the Ohio, and further south; and the Mahoning trail, which merged with the Great Trail not far below Sandusky Bay."

"Altho the importance of the County was mainly that of a great station whence trails centered, there was a considerable population (pre-historic) as evidenced by a number of enclosures and other works found along the Sandusky River. One of these enclosures (earth-works) was located where the city of Fremont now stands, while between that city and the Bay, there were at least five others. One was located just south of Fremont, and another near the south line of the county, and two others near the mouth of Pickerel Creek. The county has a total of eighteen recorded pre-historic sites."



Seneca enters the present Sandusky county from the south, about midway of its south boundary line, and flows entirely across the county in a general northeasterly direction, but with many graceful bends, some of which embrace nearly, if not quite, all points of the compass as it meanders its course amid alternating picturesque slopes and flowering plains to where it mingles its waters with those of the bay of the same name, and which bay was designated by early geographers as "lake" Sandusky, and lake Junandat, the latter name probably being derived from that of the Wyandot tribes of Indians sometimes called Owendots or Yendots, inhabiting its shores since about 1700.

The river, after entering the county passes scenes along its banks and encircles islands in its course, of great interest; among which may be mentioned the site of Ball's battle (1813) near where now stands the residence of Birchard Havens, a little way west of Ballville village, where the squadron, sent from Fort Seneca by Gen. Harrison to bring Major Croghan before him, to be tried for disobeying orders to abandon Fort Stephenson, were attacked by Indians on their way, and seventeen of the attacking Indians were killed in that skirmish; the place is marked by a boulder and memorial tablet by the D. A. R. Next appear the Blue Banks, noted for their interesting geological formations, then the lower rapids, the site of the once noted Indian village Junque-in-dundeh, or "place of the hanging haze," with Fort Stephenson on the west side and remains of an ancient Indian fortification on the east side, and Brady Island just below the rapids where Samuel Brady, the celebrated borderer sent by Gen. Washington during the Revolutionary war to observe the movements of the hostile tribes here, secreted himself while taking observations; and Spiegel Grove, the home of President Hayes, all within the present city of Fremont, once known as Lower Sandusky. Passing Fremont the peninsula known as Negro Point on the east bank is reached, so named from the fact that the Indians in 1780 captured a number of negro slaves in Virginia and placed them on this point where they were detained as slaves by their captors, and where they died and were buried; the site of the Indian town or village (Munsee) on the east bank near Negro Point is seen where the noted chief

and warrior Tecumseh (1809) planned hostilities against the whites, and from whence an expedition for plunder of the Virginia frontiers was started; further down we pass, on the west bank, the home of the white captives, Mr. and Mrs. James Whitaker, who married at Lower Sandusky, and settled here about 1782, and who are believed to have been the first white settlers in Ohio; just above the mouth of the river are Cherry, Peach and Graveyard Islands where the rebel Wyandot Chief Orontony known as Nicolas, with his fellow conspirators, had his stronghold and villages, where he plotted the destruction of the French garrisons at Detroit and other points. And after entering the Bay are passed the sites of the English Old Fort Sandoski on north side, and French Fort Junandat on south side of the same, erected about the middle of the eighteenth century.

See the publication by Lucy Elliot Keeler, "Old Fort Sandoski."

The name of the river, from which that of the county is derived, according to the Bureau of American Ethnology, is from the word or term Tsaendosti, pronounced San doos tee, and is the proper Wyandot form of the expression, "It is cold, fresh (water)," and may have been originally an Erie term adopted by the Wyandots for the same waters, as we know the Eries were the first occupants here known to authentic history, preceding the Wyandots. They were both of the same lingual stock, and most likely had the same name for these waters, and which seems to have been applied first to the bay or lake and is found in history in different forms, as to its orthography as early as about the year 1700, as Sandosket, Otsandoske and Sandoski.

#### CONTENDING POWERS.

Spain, France and England, as we know, contended for dominion over the country, embracing the Sandusky Valley, basing their respective claims upon discovery and settlement, but as it would seem the principal ground of contention was more that of occupancy than discovery. According to the principle maintained by civilized nations regarding territorial acquisition by discovery, it was not sufficient as among themselves, to discover alone, but such discovery must be followed by actual settle-

ment or occupancy. Discovery gave only the right initiate; occupancy must follow to consummate it.

Spain, while apparently entitled to priority of discovery yet not having occupied or made settlements, based thereon, her claim was not regarded as valid by the other contending nations, nor indeed by herself it would seem, as to the region under consideration. The real contention therefore narrowed to France and England, both claiming by the application of the principle mentioned, to have the paramount right.

#### THE ABORIGINES.

But there was an additional power asserting rights to sovereignty, whose claims could not be entirely ignored by the contending powers mentioned. This consisted of the native inhabitants, the North American Indians, whose rights, if occupancy had been allowed to govern, were paramount to all others.

But according to the rule maintained by civilized nations, occupancy by savage people, gave only a qualified right, as against discovery by civilized powers; complete sovereignty with the right of disposition was denied them; and their rights acquired by occupancy might be superseded or destroyed by conquest or forced purchase. Discovery by the civilized was superior to occupancy by the savage, upon the ground, it has been claimed, that the Creator could never have designed that a comparatively few savages should monopolize for hunting grounds an extent of territory capable of supporting many millions of civilized people.

It may not be out of place to here state that our own American doctrine maintained that the Indians had originally no fee in the lands occupied by them, but did have a qualified vested right by occupancy, which could only be invaded in just wars or extinguished by treaty, but like the other civilized powers, our government denied to them unrestricted dominion, and in its dealings and treaties with them, these principles were applied, and no complete title to lands was recognized in the savage, unless by express grant from the government.

Thus it appears that civilized governments claimed, and when opportunity offered exercised the right of eminent domain over all lands occupied by savage or uncivilized people.

We know that when European discoverers first came they found all these northern parts of the continent in the exclusive possession of an uncivilized or savage people called Indians, divided in language into two great races, namely: the Algonquins and the Iroquois. The country of the Algonquins extended from the Atlantic to the Mississippi, and from Hudson Bay to the Carolinas, and 'like a great island in this vast expanse of Algonquin population' were the homes of the Iroquois tribes or nations, distributed as follows: the confederacy known as the Five Nations, comprising the Mohawks, Oneidas, Onondaguas, Cayugas and Senecas extended through what is now central New York from the Hudson river to the Genesee; the Neutral Nation occupied the country around the upper end of Lake Ontario, and between that and the north shore of the lower end of lake Erie and probably extending some distance into the country across and eastward of the Niagara river; the Wyandots, or Hurons as they were called by the French, held the country eastward of Lake Huron, named from them, and northward of Lake Erie; and the Eries were seated along the southern shore of Lake Erie, from whom it took its name.

"The name it bears is that of an Indian nation of the Huron (Wyandot) language, which was formerly seated on its banks and who have become entirely destroyed by the Iroquois. 'Erie' in that language, signifies 'cat,' and in some accounts this nation is called the Cat nation. The name probably comes from the large number of that animal (lynx) formerly found in this country. (Charlevoix in 1721.)

Of the Algonquins who in later times became incidentally connected with the history of our valley and adjacent country, were the Ottawas, Miamis, Delaware and Shawnees. But it is mainly with the Iroquois, whose people were dominant therein, first the Five Nations by conquest and afterwards the Wyandots by settlement and occupancy that our history of this region is more directly associated. The Five Nations (later the Six Nations by the incorporation in 1713 of the Tuscarawas) waged relentless wars, during the first half of the seventeenth century, against their kindreds, the Neutrals, Wyandots and Eries, and also against the Ottawas and some others of the western Algon-

quins, and by about the middle of the seventeenth century, had conquered these nations and driven them into exile westward to and around Lake Michigan. The Eries were completely exterminated as a nation and their seats, including our valley, left a mere solitude. The conquerors, subject to their treaty relations with England, mentioned below asserted dominion over the conquered regions which were but little more than hunting grounds for a period of half a century or more until re-inhabited by the refugee Wyandots, Ottawas and remnants of other dispersed tribes. It seems that the Six Nations had lost ascendancy over the country formerly conquered by them from the nations mentioned, and the Wyandots from their places of exile, having rallied their own scattered tribes, and collecting with them the bands of the dispersed Ottawas and other refugees of their fellow sufferers at the hands of the Five Nations, about 1700 returned to the vicinity of their ancient seats. The Wyandots settled about Detroit, extending thence their settlements along Lake Erie to and upon the shores of the Sandusky Bay or lake and along the Sandusky river to its sources. The Ottawas located on the islands of the lake, the Sandusky peninsula and up the Portage river. They were on friendly terms with the Wyandots, to whom they, with other tribes, yielded sovereignty as among themselves over all the region mentioned, over which our Wyandots also exercised their limited sovereignty as between themselves and the United States "to live and to hunt on" until the treaty of Sept. 29, 1817, at the foot of the rapids of the Maumee they ceded all their rights therein, to the United States. They had previously, in 1785, ceded to the United States the two-mile square tract on which the city of Fremont is built and in 1808 the Maumee and Western Reserve Turnpike lands, being a tract 120 feet wide, for a road, and all the land within one mile of the road on each side for settlement, from the Maumee to the west line of the Connecticut Reserve; also a tract for a road only, 120 feet in width to run southwardly from Lower Sandusky to the Greenville treaty line.

The Wyandots were admitted to be the leading nation among the Indian tribes of the Northwest, not because of numbers, but for the reason that they were more intelligent and more



civilized in their manner of life. They were generally not so cruel toward their enemies in war, and were more humane in their treatment of captives than any of the other savages known to this region. To them was entrusted the grand Calumet, which united all the Indians in that territory in a confederacy for mutual protection and to assemble the tribes in Council and to kindle the Council fires.

The Sandusky valley, dominated by them, as we have seen, was an ideal Indian place of abode. The waters and marshes were at certain seasons, alive with wild fowl, the river teemed with fish, and large game abounded in the forests on every hand. It was, indeed, suggestive to them of the "Happy Hunting Ground" in their hoped for "Land of the hereafter."

As to the name Wyandot, we have the authority of the American Bureau of Ethnology for saying that it is the Anglicized form of their name, applied by themselves to their confederation of their four peoples, the Bear, Cord, Rock and Deer peoples of the nation of Owendots, Yendots or Wyandots as Anglicized from their language or dialect. And that the name Huron is of French derivation, and signifies in the singular, a bristly savage, a wretch or lout, a ruffian, and was probably applied to the confederation mentioned, with reference to the manner in which the hair and head ornament of these Indians were worn, and was therefore a nickname. The names Wyandot and Huron are quite frequently employed interchangeably by historians when writing of this nation. But since their occupancy of this region the name Wyandot is generally used to designate them.

#### THE FRENCH.

France not only claimed but exercised actual sovereignty over all the region of the St. Lawrence basin for a period of about 150 years prior to 1763.

As we know, her claim to dominion rested upon the discovery of the St. Lawrence by Cartier in 1534, and upon later explorations and occupation of its basin by Champlain and others as early as the year 1608.

She maintained that to discover a river established the right to all the territory drained by that river and its tributaries. The

waters of the Sandusky Valley being tributary to the St. Lawrence, the valley would therefore belong to France as a part of her domain known as New France, with Quebec as its capital. France subsequently greatly enlarged her asserted domain by the discovery of the Mississippi by Joliet and Marquette, in 1673, and the later explorations by LaSalle and by his act of taking formal possession at the mouth of the river in 1682 in the name of Louis XIV, King of France, whereby the Mississippi valley which of course embraced that of the Ohio, was added to the possessions already claimed by France. These discoveries and explorations were followed by settlements and the erection and occupation of military forts and trading posts at points on the Mississippi and along the lakes, including Sandusky Bay, or Lake, as it was called.

In 1749 formal possession of the Ohio Valley was taken in the name of Louis XV, King of France, by Celoron De Bienville, who buried inscribed leaden plates, at the mouths of the greater rivers emptying into the Ohio, as evidence of possession, thus reasserting the claims of LaSalle, made in 1682 at the mouth of the Mississippi.

On a map of M. Bellin, Royal French Geographer, Paris, in 1755, a "Fr. Fort Sandusky" is placed on the west side of the mouth of the river and noted as an "Ancient Fort abandoned" and in remarks published with the atlas describing the Lake Erie country states that "Where the river flows into the end of the bay we have a fort and habitation." John Pattin, a captive English trader, taken in 1750 to Detroit, in his narrative, writes: "The French go in three days from the Fort Detroit to Fort Sandusky, which is a small palisaded fort with about twenty men, situated on the south side of Lake Erie and was built in the latter end of the year 1750."

These forts are here mentioned for the purpose of showing occupancy. The name Sandusky as applied to forts either French or British had no reference to the name of any town or village, because none was then nor for more than sixty years thereafter in existence when (1816) Sandusky City was first laid out and named. These forts took their names from the waters near which they stood.

The English fort on the bay, occupied by Ensign Paully and his garrison, was on May 22, 1763, taken by a band of Wyandots living in the neighborhood, assisted by a detachment of Wyandots sent by Pontiac from Detroit, in furtherance of his conspiracy to unite all the Indian tribes in a confederacy, and to destroy all the Whites in the Northwest Territory. The garrison was slaughtered, the fort burnt, and Ensign Paully taken to Detroit as a prisoner, with the prospect of being burned at the stake; but a somewhat less sad fate awaited him, which was that of becoming the husband of an Indian widow, at her request. From this forced connubial relation, however, he soon found opportunity to escape, which he gladly embraced, as we are informed.

#### THE BRITISH.

Notwithstanding the dominion thus actually exercised by France, England was during all the time disputing the right of France to such dominion, and claiming title in herself. England's claim so far as discovery went rested upon that of the Cabots in 1498, which antedated that of France by Cartier (1534) but she did not follow her discoveries by attempts of actual settlement in the northwest, until about the middle of the eighteenth century, confining her settlements to the region back of the Alleghenies along the seaboard. She claimed, however, that this occupation of region mentioned in connection with her discoveries entitled her to dominion from the Atlantic to the Pacific. She also made the further claim to the northwest by reason of transactions and treaties with the Iroquois or Six Nations of Indians, who claimed dominion over this territory by conquest from the Eries and other Indians who previously occupied the same, as we have seen.

England therefore claimed for herself and colonies not only the right by discovery and seaboard settlements, but all the rights belonging originally or by conquest to the Six Nations. English traders from the colonies had as early as 1700 penetrated the Sandusky Valley and from that time on they are frequently found in the neighborhood and finally about 1745 they built a blockhouse or stockade on the Sandusky Bay or Lake, which the French believed to be a part of a scheme to come into friendly

relations with the Wyandots who were generally allies of the French, and, if possible, alienate them from the French, and attach them to the English cause. The fears of the French seemed to have been justified by the movements of the powerful Wyandot Chief Orontony, whose baptized name was Nicolas, who as early as 1745, had settled in the region, with the villages of his followers along the islands and marshes of the Sandusky waters as before mentioned.

He intrigued with the English Colonial authorities of Pennsylvania and New York and encouraged traders from those colonies to come and permitted them to erect the block house on the bay mentioned, the germ of Old Fort Sanduski, "the first fort built by White men in Ohio," commemorated by a monument recently erected near the spot through the efforts of Col. Webb C. Hayes. About this time a conspiracy was formed by Wyandots and some Miami tribes of which he was the leader, for a general overthrow of the French power. Detroit and the upper French posts were to be burned and the white inhabitants massacred. The general work of destruction was parcelled out to the various tribes of Wyandots and Miamis, engaged in the plot, in their respective localities. The plot was, however, discovered by the French in time to prevent its consummation.

Nicolas sued for pardon which was granted him and the Sandusky Wyandots engaged with him in the plot, under a pledge of loyalty to the French authorities. In 1748 he and his fellow conspirators numbering over 100 warriors and their families abandoned the Sandusky, for the White river country, but previous to their departure they burnt the cabins of their villages.

Darlington in his "Gists Journal" expresses the opinion that the villages of Nicolas were on Peach and Graveyard islands at the mouth of the Sandusky river on the east side, and that probably he may have, at first, settled on Cherry island, about two miles above the mouth of the river and between that and Green Creek. But for our purpose the exact locality is not important. We do know, however, that the events just mentioned happened within the Sandusky valley in our immediate

vicinity and really contributed in no small degree toward the causes which hastened the impending conflict of arms between the contending powers.

About the same time and having relation to these events were disturbances further south within the Ohio valley, the center of which was the Indian town of Piqua or Pickawillany as it was called by the English, "at the mouth of what was afterward called Loramies Creek, on the Miami river. This was the principal town of the Miami Confederacy of tribes, and then their capital. The Miamis were not then friendly to the French, some of whose tribes were in the conspiracy of Nicolas, as we have seen, and like Nicolas' tribes with whom they were in full sympathy against the French intrigued with the English traders from Virginia, and suffered them to make Pickawillany their headquarters as did Nicolas his Sandusky fort. Here in 1750 traders erected a stockade or fort at which the English flag was displayed not only by the traders but also by the Chief of the Miami confederacy known as Old Britain.

This occurring by the authority of the Colony of Virginia sanctioned as it was by England in authorizing the grant to the Ohio Company, an association of English merchants and Virginia planters, was regarded by France as a hostile invasion of her domain. As we have seen, formal possession of the Ohio Valley had been taken in the name of the Kings of France, first in 1682, again in 1749.

In 1752, Pickawillany was surprised and taken, by an expedition under French authority, composed mostly of Indians of the Ottawa and Chippewa tribes. One white trader was killed and the others in the fort at the time were plundered and taken captive to Canada. Several Indians were killed, among them was the chief, Old Britain, who was roasted and eaten by the enemy! The town was completely destroyed and never again occupied. Thus was begun hostilities which have been regarded as the incipency of the war between France and England known here as the "French and Indian war," which finally resulted in the complete overthrow of France in the new world, and the transfer to England by the treaty of Paris which followed in 1763, of all her claims to dominion in Canada

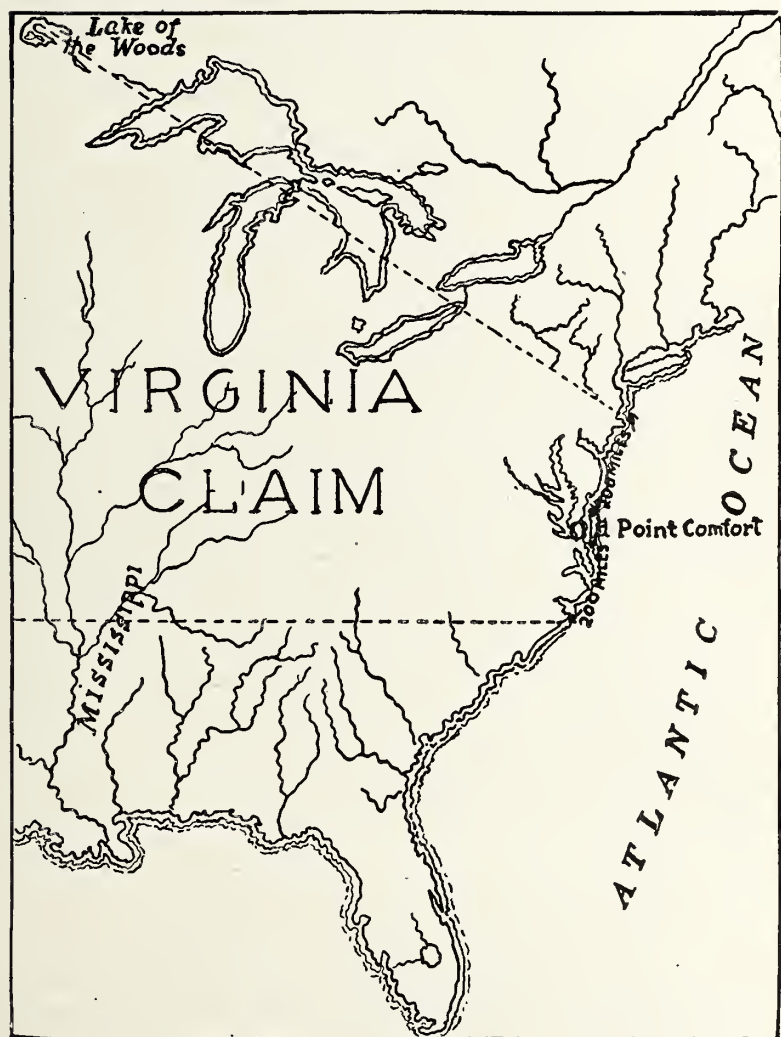


and the northwest to the Mississippi, which of course embraced the Sandusky valley. Claims of the Colonies under charters from England were not disposed of by the treaty nor were the rights, whatever they were, of the Indians passed upon. England, however, at once by a proclamation (1763) reserved for the use of the Indians who by former treaties had placed themselves under her protection, all of the Northwest to the Mississippi, forbade further colonial grants of land within the reserved country and demanded the abandonment of previous grants.

This was regarded by Virginia as a violation of her rights under her charter of 1609 from the British crown, being as it was, prior in date to such treaties, and which as to extent, was as follows: "Situate, lying and being in that part of America called Virginia from the point of land called Cape or Point Comfort all along the sea coast to the northward two hundred miles, and from the said Point or Cape Comfort, all along the sea coast to the southward two hundred miles, and all that space and circuit of land lying from sea to sea, west and northwest."

The claims of other colonies are here omitted for the reason that no actual jurisdiction over our valley was ever exercised by them. It may be proper, however, to state that the charters of some of them overlapped in area, that of Virginia, notably Connecticut, whose charter of 1662 nominally embraced all the present state of Ohio north of the 41st parallel of north latitude; but in 1786 she ceded to the general government all of the same west of the west lines of what are now Huron and Erie counties.

Virginia's statesmen and jurists interpreted her charter of 1609 as granting all that vast domain, between the Atlantic and Pacific, bounded south by a line running west from the south point in the sea coast line named in said charter, and on the north by a line running northwest from the north point in said sea coast line. This interpretation was acted upon by Virginia and jurisdiction exercised by her from the beginning, and until modified as to western limits of the Mississippi by the treaty of 1763 and subsequently until her cession in 1784 to the general



government of her western territory. These lines as claimed by Virginia would be about at right angles to the trend of the coast lines described in the charter; an argument it is believed supporting the Virginia interpretation as to territorial extent.

Immigrants refused to obey the proclamation, ordering them to abandon their over mountain settlements; while at the same time others were encouraged to follow them over the prohibited line. Virginia insisted upon her charter rights and continued to assert jurisdiction west of the mountains by creating counties, as we shall see, and by other acts.

England's restrictive policy was also insisted upon by her and further emphasized by what was known as the Quebec Act in 1774, by which the province of Quebec was extended south to the Ohio river and west to the Mississippi, trial by jury in civil cases was abolished, and the French system of laws restored. Thus the region embracing our valley became subject to the jurisdiction of a government under English dominion, with the same capital as when under that of France. England's unwise and oppressive policy toward the Colonies, brought on the Revolutionary war; the Quebec Act became inoperative during that struggle as did all other claims of England to dominion, in the territory of the Northwest, and resulted, as we all rejoice to know, in England's loss, not only of the disputed territory west of the mountains, but also of all her American colonies. By the Paris treaty of peace, September, 1783, which followed, thirteen colonies were acknowledged to be free, sovereign and independent states, and "all claim to government, proprietary and territorial right of the same and every part thereof," was relinquished by England to them.

The long existing disputes among the Colonies as to boundaries and extent of territory granted to certain of them by their respective charters now became acute; and for a time threatened the peace of the country; but they were all finally settled by cessions to the general government, upon satisfactory conditions, or such as were acquiesced in by all the states; and thus, except the Connecticut Western Reserve and the Virginia Military Lands, all the territory bounded by the lakes, the Ohio and the Mississippi became the public domain and by the ordi-

nance enacted by Congress, July 13, 1787, was organized as the Northwest Territory.

#### UNDER VIRGINIA.

In the dispute between England and France the chartered rights of the English Colonies, as between the Colonies and the Mother Country, were not directly involved; indeed the war which resulted in favor of England may be claimed as waged by her mainly in behalf of her Colonies.

Virginia had in the meantime pushed her settlements westward, but had not till early in the eighteenth century crossed the Allegheny mountains.

#### SPOTTSYLVANIA COUNTY.

The first official exercise of jurisdiction by Virginia over the region west of the Alleghenies was the Act of her Colonial Assembly (4 Henings Virginia Statutes at Large 450) creating the county of Orange in 1734, taking the same, in part, from that of Spottsylvania which had been formed in 1720, but whose western limits were indefinite and did not extend beyond the Alleghenies. It was, however, the first county organization to extend west of the Blue Ridge. The first passage over this range, by the white man, was claimed to be that of the romantic adventure of Governor Spotswood in August and September of 1716, when he and a party of gentlemen, including members of his staff numbering in all fifty persons, journeyed, on horse back by way of the Upper Rappahannock river, with pack-horses laden with provisions for the expedition. After thirty-six days they had "topped the mountain" and reached the famous valley later named the Shenandoah, and crossing to the west bank of the river, the governor named it "Euphrates," and there took formal possession in the name of King George First, then of England, by burying a bottle containing a written inscription to that effect. The occasion was there celebrated with much conviviality in drinking and banqueting by the governor and his gay party. Eight weeks were consumed and 440 miles traveled in going and returning. The governor commemorated the journey by creating the "Knights of the Golden Horse Shoe," having

reference to the careful shoeing of the horses required to enable them to climb the mountain. He caused small golden horse shoes, set with jewels, to be made in London, inscribed with the legend: *sic juvat transcendere montes*, (thus it is a pleasure to cross the mountains) which he distributed to his companions of the expedition.

#### ORANGE COUNTY.

In the Act of the Assembly creating the county of Orange and defining its boundaries, westward, are found these words: "Westerly by the utmost limits of Virginia," which, of course, according to Virginia's construction of her charter of 1609, embraced all of the present state of Ohio, and much more. It was claimed by Virginia as including all west of the Blue Ridge, extending southward to Tennessee and covering what is now Kentucky.

#### AUGUSTA COUNTY.

The immense domain of Orange county was on November 10, 1738, (5 Hening 79) divided by the Assembly, and the portion west of the mountains formed into the two counties of Augusta and Frederick. The latter embraced comparatively a small territory extending from the Potomac river to the northern boundary of the present county of Rockingham, and a little further westward. The remainder formed a part of Augusta, which county extended south to the borders of Virginia, west and northwest to the utmost limits of the territory of Virginia, and contained what is now Kentucky, Ohio, Indiana and Illinois and consequently embraced our Sandusky valley and brought it within the nominal jurisdiction of Augusta county. Staunton became the county seat, and courts were held there before the Revolutionary War, and also at Pittsburg, which was in Augusta county.

#### BOTETOURT COUNTY.

On November 10, 1769 (8 Hening 396) Botetourt county was formed by Act of the House of Burgesses by cutting off from Augusta all that part lying south and west of the North river, by a line west, bearing north 55 degrees, beginning at the Blue Ridge where that river flows through the same near the



site of Lexington in the present county of Rockbridge, Va., and running to the confluence of the south river with the north branch of the James and up the James to the mouth of Kerr's Creek and up that creek to the mountain; which line of separation was by the provisions of the act mentioned, authorized to be continued westward as far as the courts of the two counties might thereafter order. The records of the court of Augusta April 20, 1770, and of Botetourt, June 3, 1770, show an extension of this line westward bearing north 55 degrees, to a point described as the "west side of Anthony's Creek Mountain," which is in what is now the northeast part of Greenbrier county, West Virginia. There seems to be no record of legislative enactments or of court orders further extending this line to be found. That the act of the assembly creating the county of Botetourt contemplated its extension to the "waters of the Mississippi," is apparent from its exemption from the payment of certain levies, the people situated on the "waters of the Mississippi in said county of Botetourt." It is further apparent from the two acts of the Virginia Assembly in forming Fincastle county from Botetourt (8 Hening 600) in 1772, and in dividing Fincastle into the three counties of Kentucky, Washington and Montgomery, in 1776 (9 Hening 257) that at the dates of those enactments, the legislature must have considered that Botetourt, their source, did in fact, embrace the territory described in those acts. While the boundaries of Fincastle are somewhat vague, as defined in the act forming the same, yet if studied in connection with the act dividing the same, as before mentioned, into the counties of Kentucky, Washington and Montgomery, it will be found, in addition to the southeastern portions thereof comprising the counties of Washington and Montgomery, to have embraced territory west and south of the west side of Anthony's Creek mountain, and bounded west and northwest by the Ohio river, to the Mississippi, and south by the state of Tennessee, as it will be seen that this county of Kentucky as then bounded was nearly identical with the state of Kentucky as finally formed and admitted into the union.

Returning in our sketch to Augusta county, it will be found that in 1776 the counties of Ohio, Yohogania and Monongalia

were formed from that part of Augusta lying between the Alleghenies and the Ohio river, thus cutting off from Augusta county and embraced territory west and south of the "west side of Anthony's Creek mountain," leaving the same outside of any county organization all that vast extent of country northwest of the Ohio river, south of the lakes and east of the Mississippi, a "great and terrible wilderness," roamed over and dominated by savage tribes of the west in their murderous incursions against the Virginia and Pennsylvania frontier. Rightfully, as she claimed, it was within the jurisdiction of Virginia, but this was disputed by the mother country, whose government as we have seen, claimed it for the benefit of the Indians. Since the treaty of Paris (1763) and prior to that France had taught the Indians that their title to this region was valid to the Ohio river.

#### ILLINOIS COUNTY.

In 1778 all the region just described was conquered from England by Virginia under General George Rogers Clarke, and in October, 1778, the legislature of Virginia established from it the county of Illinois with Kaskaskia on the Mississippi as the chief seat of justice and Cohokia and Vincennes, subordinates. Thus the present state of Ohio with our Sandusky Valley was again brought within a county organization and subject territorially considered at least to the jurisdiction of the county of Illinois, which embraced all the chartered limits of Virginia northwest of the Ohio river east of the Mississippi, and so remained in so far as governmental relations existed, until March, 1784, when Virginia ceded to the general government, subject to certain conditions, all her rights to dominion northwest of the Ohio river.

Notwithstanding the conquest from Great Britain by General Clarke, and the organization of the County of Illinois by Virginia, from the conquered territory, the Indians still dominated the Ohio country as its chief occupants and would listen to no terms of settlement which did not grant them valid title, extending to the Ohio river. In the several attempted peace negotiations with them, their ultimatum was title as thus claimed. This demand not being granted, hostilities against the frontiers

continued with unabated fury. Murderous incursions by the Miamis and confederated tribes from the Maumee, and western country, and by the Wyandots and their immediate allies from the Sandusky valley, were frequent, attended with characteristic savage cruelties. In the meantime a number of ineffectual attempts to conduct expeditions into the enemies' country were made.

#### CRAWFORD'S CAMPAIGN.

Finally, in 1782, an expedition from the frontiers, commanded by Colonel William Crawford, was organized, and four hundred strong, moved against the Wyandots and allies of the Sandusky country, started from Mingo Bottoms the 25th day of May, and on the 4th of June, came upon the enemy near the present site of Upper Sandusky, Wyandot County, where a battle ensued in and around an island of timber in the plains, since known as "Battle Island."

The first day's conflict seemed to result in favor of Colonel Crawford's force. Preparations were made by him for a renewal of the engagement the next day, with confident expectations of a victory, but the enemy being reinforced on the second day, by the arrival of about two hundred Shawnees from the south, and British troops known as Butler's Rangers from Detroit, coming by the way of the Sandusky Bay and River to Lower Sandusky and thence to the scene of conflict, so greatly increased the force of the enemy that the intended renewal of attack was deemed too hazardous and a retreat instead was decided upon which commenced on the night of June 5th, greatly harassed by the pursuing savages, until the site of the present town of Crestline was reached, June 6th, where pursuit ceased.

Space will not permit a narration of the thrilling incidents of this disastrous retreat, connected as it was, with the capture of the brave Colonel Crawford, who had become separated from the main force, and his inhuman torture and tragic death by burning at the stake, June 11th, 1782. A monument stands where his torture and death occurred, near Carey on the east bank of the Tymochtee.

John Sherrard, great-grandfather of Robert Sherrard, of Fremont, was in that battle and rendered conspicuous service as

a soldier in the fight, and in aiding the wounded, by carrying them water in his hat from a pool caused by an upturned tree.

#### UNDER FEDERAL DOMINION.

As we have seen, after the close of the Revolutionary War, and the cessions by the Colonies to the general government of their respective claims in the northwest, our valley became subject to the jurisdiction of the northwest territorial government. Indian depredations, however, still continued, founded upon their claim of title, extending to the Ohio, as before asserted by them. Notwithstanding the stipulations in the treaty of Paris, 1783, by Great Britain to surrender all military posts within the territory ceded by that treaty, those at Mackinac, Detroit, and the Ohio posts on the Maumee, and on the Sandusky Bay, were still garrisoned by the British, under the pretense, as claimed, of regarding them as a guarantee by the Americans to carry out a stipulation in the treaty to pay certain debts owing by them to the British. Their real motive, however, was believed to be in order to keep on friendly terms with the Indians by carrying on trade, especially in furs, with them, exaggerate their grievances, and goad them on to hostile depredations against the Western colonists, with assurance of British sympathy and support, in the hope that the Western country might finally be lost to the United States and restored to Great Britain as a colonial dependency. British aid subsequently given the savages in their repeated aggressions against the settlers, leaves no doubt as to the real purpose of Great Britain in thus wrongfully occupying these posts.

#### HARMAR'S EXPEDITION.

The United States, at first as the Colonies had done previously, resorted to negotiations with the savages, which proving unavailing, General Harmar, under directions of General Washington, President, in the fall of 1790, with an army of thirteen hundred men, marched from Cincinnati into the Indian country, and at the confluence of the Rivers St. Joseph and St. Mary's (Fort Wayne) a large detachment of his forces under command of Colonel Hardin, encountered a large body of savages led by the famous chief, Little Turtle; a severe engagement ensued,

resulting in the defeat of the Americans with great loss in killed and wounded. The expedition was an utter failure.

#### ST. CLAIR'S DEFEAT.

President Washington, inspired with great anxiety for an effective prosecution of the Indian war, caused a new army to be organized in every way superior to the former, under the command of Gov. St. Clair; it was composed of three regiments of infantry, two companies of artillery, one of cavalry, and six hundred militia men. With this force St. Clair invaded the enemies' country, and on November 4, 1791, at the present site of Fort Recovery, in Mercer county, was suddenly attacked by the whole force of the northwestern tribes and disastrously defeated with a loss of six hundred men and thirty-five officers killed, while two hundred men and twenty-five officers were wounded. So St. Clair's expedition was also a complete failure.

#### FALLEN TIMBERS.

The next year General Anthony Wayne was appointed to the command of the army of the Northwest. In the spring of 1793, unsuccessful negotiations for peace were held with the tribes at the rapids of the Maumee, pursuant to offered mediation of Great Britain, now believed to have been insincere. In the meantime, General Wayne was perfecting his plans for a decisive campaign against the combined tribes, which when fully organized, was conducted by him along practically the same route as that of St. Clair in 1791. On August 20th, 1794, his forces consisting of about one thousand strong, met the enemy at the rapids of the Maumee, at a place known as "Fallen Timbers," where a severe engagement took place, resulting in an overwhelming victory for the Americans. The enemy, about sixteen hundred strong, including perhaps two hundred British volunteers and regulars, was under the general command of Blue Jacket. Tecumseh led the Shawnees, Little Turtle, the Miamis; who led the Wyandots, does not appear, but several of their chiefs were in the engagements, among whom was the great chief Tarhe, the Crane, of Lower Sandusky, who was severely wounded in that engagement.



## TREATY OF GREENVILLE.

Wayne's victory and events succeeding it, led to the treaty known as the Treaty of Greenville of August 3, 1795, signed by Anthony Wayne and by the several sachems and war chiefs of the Northwestern tribes of Indians.

The signature of Tarhe, the Crane, of the Wyandots, is the first to appear next under that of General Wayne. Indian hostilities ceased from the time of this treaty for a period of ten years, or until the uprising of the tribes under Tecumseh, immediately preceding the war of 1812 with Great Britain, in which he was also a conspicuous ally of the British. The Wyandots of the Sandusky valley did not join Tecumseh, nor take part against the Americans in the war of 1812, but on the contrary were friendly and adhered to us throughout that war, as shown by the report of General Harrison to the Secretary of War, March, 1814. The Wyandots at Detroit, however, under the influence of their chief "Walk-in-the-Water," sided with Tecumseh and allied themselves with the British.

The first treaty made with the Indians, affecting title to our valley, was that with the Wyandots, Delawares and Ottawas at Fort McIntosh January 21, 1785, by which the boundary line between the United States and the Wyandot and Delaware Nations was to begin at the mouth of the Cuyahoga river (Cleveland) and run thence up that river to the portage between that and the Tuscarawas branch of the Muskingum, then down the forks at the crossing place above Fort Laurens; then westerly to the portage of the big Miami, which runs into the Ohio, then along said portage to the Maumee river and northerly down the southeast side of the same to its mouth, (Toledo) thence along the south shore of Lake Erie to the mouth of the Cuyahoga river where it began (Cleveland).

All the land contained within these lines was allotted to the Wyandot and Delaware Nations, "to live and hunt on" and to such of the Ottawa nation as then lived thereon. There were certain reservations for the use and under the government of the United States for trading posts. Among these were a six mile square tract on the Sandusky Bay, "where a fort

formerly stood" and a two mile square tract on each side of the lower rapids of Sandusky River.

All the lands east, south and west of the described line, were to belong to the United States. This treaty in substance was renewed or reaffirmed on the 9th day of January, 1789, at Fort Harmar, the Chippewa and Patawatian nations joining therein.

These treaties, however, were never fully carried into effect, on account of the continued Indian hostilities, instigated by the principal western tribes, who claimed that to make a treaty binding, all the tribes must join therein, and that inasmuch as they had not taken any part in these treaties they were not bound by them. As we have seen, the treaty of Greenville was finally signed by all the warring tribes and brought peace between the settlers and Indians.

#### HAMILTON COUNTY.

The first county organization under Federal government embracing our valley was that of Hamilton county, which came into existence by the proclamation of the territorial governor, Arthur St. Clair, January 2, 1790. It did not, however, at first extend this far north, but on February 11, 1792, the boundaries of Hamilton county were extended to the then north boundary line of the territory, and included the territory which is now Sandusky County. On the west it was bounded by Knox County, in northwest territory now parts of Indiana and Michigan, on the east by a line which would be the west line of Huron and Erie Counties prolonged to the north boundary of Ohio. (Vol. 2, page 310, *The St. Clair Papers.*)

#### WAYNE COUNTY.

"In 1796 Capt. Porter with a detachment of troops from Gen. Wayne's Army took possession of Detroit and flung to the breeze the first American banner that ever floated over Detroit." On August 15, 1796, Winthrop Sargent, Secretary of the Northwest Territory, the governor being as he supposed, absent from the territory, by proclamation formed the county of Wayne, with Detroit as the seat of justice. The absence

of the governor would confer authority upon the secretary to so act. This county as formed embraced all the northwestern part of Ohio, west of the Cuyahoga and Tuscarawas rivers to Fort Laurens, a large tract on the northwestern part of Indiana including Fort Wayne, a part of Illinois, including the site of Chicago, and the whole of the territory of Michigan. It was larger in extent than the present states of Ohio and Michigan. Peter Audrian was Judge of Probate, Register of Deeds, and Justice of the Peace of this vast county, which, of course, included the Sandusky valley. All law suits between inhabitants of our valley, within the jurisdiction of a Justice's Court, would have been required, by law to be in the Court of Peter Audrian as such Justice. Probate of wills and settlement of estates were also within his exclusive jurisdiction! Thus it appears that the present county of Sandusky was then a part of Wayne County, which had Detroit as the county seat.

#### NORTHWEST TERRITORY DIVIDED.

An Act of Congress, May 7, 1800, to take effect July 4, following, divided the Northwest Territory, and created the territory of Indiana, making Vincennes the capital thereof. The dividing line began at the Ohio, opposite the mouth of Kentucky river, thence to Fort Recovery, and thence north to the north boundary line of the United States.

This division still left our region, with Detroit, in Wayne County. By Act of Congress April 30, 1802, known as the "Enabling Act" authorizing the Ohio division of the Northwest Territory to form a Constitution, preparatory to admission as a state, the region including Detroit was attached to Indiana territory. No delegates from Wayne County to the Ohio Constitutional Convention were admitted, notwithstanding its inhabitants were counted to make up the required population. Our valley thereby once more, together with other territory, became outside of any county organization.

#### FRANKLIN COUNTY

was formed by Act of the Legislature March 30, 1803 (V. I p. 26) with the seat of justice at Franklinton (Columbus)

and would seem to have embraced the Sandusky valley; but there is a question whether its north boundary line was intended to be the "Indian boundary" line or the State line. In the Act referred to, after defining the west line we find these words: "thence north with the said line until it intersects the State line," and then reads as follows: "thence eastwardly with the said line to the northwest corner of Fairfield County." Now it is apparent that this last described line must have been a diagonal one to reach the point mentioned and could not have been the State line. So it would seem that the Legislature must have confused the State line with the Indian boundary line; and further, when the County of Delaware was subsequently formed by being taken from the north part of Franklin (1808) its northern boundary was defined to be the Indian boundary line.

It is hardly supposable that any portion of Franklin would have been purposely left detached from the main part, with Delaware lying between the main and detached portion. It seems, however, that there was some uncertainty, with reference to the question of boundary, for in 1809, the legislature annexed to Delaware "all that part of Franklin County lying north of Delaware." Did this annexed territory extend to the north boundary line of the State?

#### DELAWARE COUNTY

was formed, as we have seen, in 1808 (Vol. 6, p. 29) and unless our valley was embraced in Franklin County when first formed it remained outside of any county organization from April 30, 1802, until 1809, when the addition to Delaware which is believed to have embraced it was made as before shown.

#### RADNOR TOWNSHIP.

That this annexed territory was intended to and did include our region, would appear from the fact that the County Commissioners of Delaware County on April 29, 1811, as recorded in their Journal Vol. 1, p. 35, passed the following resolution:

"Resolved by the Board of Commissioners of Delaware County in conformity to a petition from the white inhabitants

of Sandusky and by the verbal request of some of the inhabitants of Radnor township, that all that part of country commonly known and called by the name of Upper and Lower Sanduskys shall be and now is attached to Radnor township enjoying township privileges so far as is agreeable to law."

#### HURON COUNTY

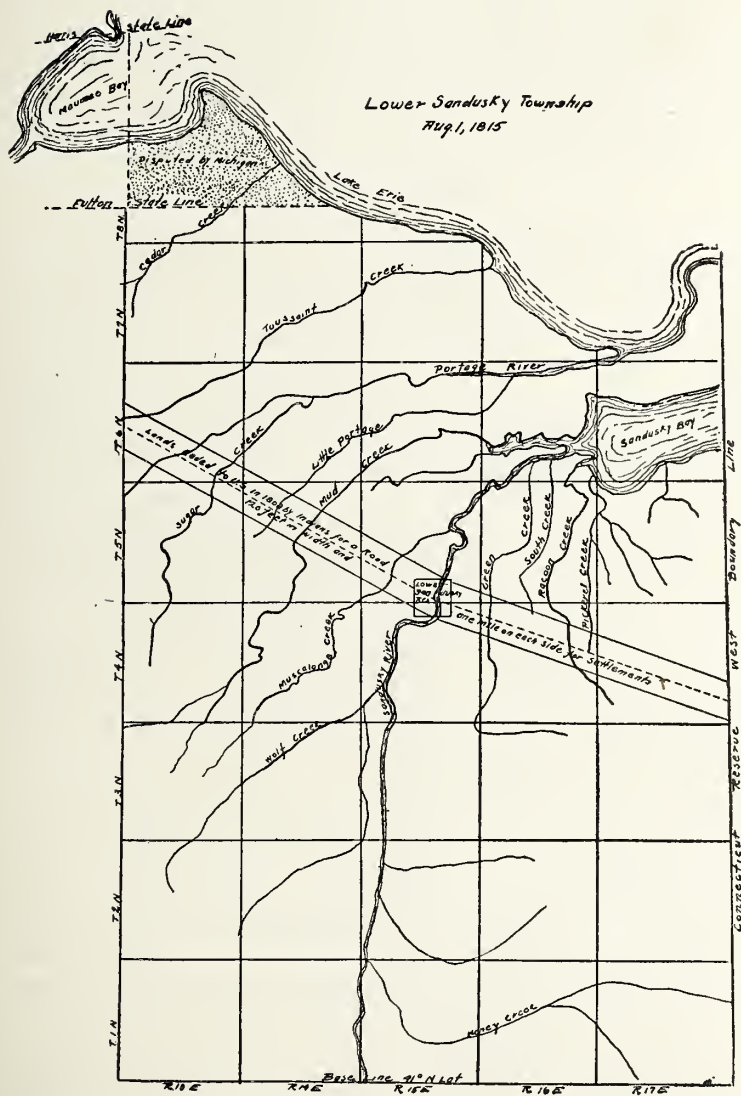
was organized January 31, 1815, (Vol. 13, p. 113). Section 3 of the Act organizing the same attached to Huron County for judicial purposes, "all that part of the State of Ohio lying westwardly of Huron County, northwardly of the south line of the Connecticut Reserve extended westwardly and eastwardly of the east line of Champaign County, extended due north to the north line of the State." This included our valley. That the same had been regarded as in Delaware County as before stated is evident from the further provision of Section 3, "that all suits and actions which shall have been commenced within the above described territory shall be prosecuted to final judgment and execution in Delaware County as though the territory had not been attached to Huron County." Avery was then the county seat of Huron County. In 1818 Norwalk became the seat of justice of that county.

#### LOWER SANDUSKY TOWNSHIP

was formed by County Commissioners Caleb Palmer, Charles Parker, and Eli Barnum, of Huron County, at their first meeting for the county which was held at the house of David Abbot, August 1st, 1815, (Journal 1, p. 1).

This township, organized as it was before the organization of Sandusky county, embraced "all that part of Huron county west of the 24th range of the Connecticut Reserve" namely: All lands between the west line of Huron and the east lines of what are now Hancock, Wood and Lucas counties, including Oregon and Jerusalem townships, now in Lucas, and all north of the south boundary line of Seneca county to Lake Erie. The first election for township officers of this immense township was held in Lower Sandusky August 15, 1815, at the house of Israel Harrington on the west side of the river. The officers





elected were, Israel Harrington, Randall Jerome and Jeremiah Everett (father of Homer Everett) trustees; Isaac Lee, clerk; Morris A. Newman and William Ford, overseers of the poor, and Charles B. Fitch and Henry Dubrow, appraisers. Thus it will be seen that this township included within its limits the present counties of Seneca, Sandusky, Ottawa and parts of Lucas and Erie.

#### CROGHAN TOWNSHIP.

In the Huron County Commissioners' Journal No. 1, of their proceedings is the following:

"May 18th, 1819, Commissioners met, towit: Joseph Strong and Bildad Adams. A petition was presented for a new township, therefore ordered that all that tract lying west of the fire lands (Huron County) and east of the Sandusky river is hereby set off and made a separate township by the name of Croghan."

Croghan township was formed after the treaty at the foot of the rapids of the Maumee was made, by which the title of the Indians was extinguished to all lands within the State of Ohio, then claimed by them, east of the west line thereof, and north of the Greenville treaty line. This treaty was in the nature of a purchase, and the lands included were known as "the new purchase." The consideration passing from the United States, was as follows: To the Wyandots, who were the chief Indian parties concerned as to the Sandusky Valley, a perpetual annuity of \$4,000, a tract of land twelve miles square at Upper Sandusky and a tract one mile square on Broken Sword Creek (a tributary of the Sandusky river); to the Senecas, \$500; to the Shawnees, \$2,000; to the Pattawatimies annually for 15 years, \$1,000; to the Chippewas annually for 15 years, \$1,000; and to the Delawares, \$500, but no annuity; to the Senecas, thirty thousand acres on the east side of the Sandusky river, in what is now Sandusky and Seneca counties, about one-third of which was in Sandusky, beginning at a point opposite the mouth of Wolf Creek, running thence east through the north parts of sections 29-28-27-26 and 25 in Ballville, and sections 30-29-28, and into west part of section 27 of Green Creek Townships, thence south to the Seneca County line. It also contains the 1,280 acre tract reserved to Elizabeth Whitaker "on the west side

of Sandusky river below Croghansville," and the 160 acre tract reserved to Sarah Williams, Joseph Williams and Rachel Williams Nugent "on the east side of the Sandusky river below Croghansville, and to include their improvements at a place called Negro Point." By a subsequent treaty at St. Mary's September 17th, 1818 (7 Stat. p. 179) there was added to the Senecas, on the south side of the above reservation a tract of ten thousand acres, and to the Wyandots was ceded a tract about twelve miles square in northeast corner of Seneca County.

On February 12th, 1820, "the new purchase" was carved into fourteen new Counties. Sandusky was one of the fourteen



to thus appear among the sisterhood of Counties of the great state of Ohio. Croghansville was the temporary seat of justice, where public matters were conducted for a little more than two years, or until May 23rd, 1822, when the permanent county seat was located in the "Town of Sandusky," where by the names successively of Sandusky, Lower Sandusky and Fremont it has remained.

From the time that the seat of justice was permanently located in the town of Sandusky, Croghansville has seemed to have waned in importance as a separate village and to have been gradually absorbed by the former. In 1827 that portion of Croghan township embracing the village of Croghansville was annexed to Sandusky township by action of the County Commissioners.

In 1829 the territory of both villages by Act of the State Legislature was incorporated into one village by the name of the "Town of Lower Sandusky." The village of Croghansville thereby became extinct, in name. When Lucas county was formed, in 1835, that portion of the territory of Sandusky county, as originally erected, marked on the map as "disputed by Michigan," was made a part of Lucas county.

In 1838 when Erie county was erected all that portion of original Sandusky county lying along the south shore of Sandusky Bay, bounded east by Huron county and south by the north line of Townsend township to the northwest corner thereof was made a part of Erie county.

March 6, 1840, Ottawa county was created, being taken mostly from Sandusky and greatly diminishing its area, cutting off all that part included within the following boundaries: commencing at a point two miles north of the southeast corner of the surveyed township number sixteen, called Bay township, running thence west on section lines to the western boundary of the county; thence north to the Lucas county line; thence east six miles; thence north to the Michigan state line; thence with said line until it intersects the line between the British and American governments in Lake Erie; thence down the lake with said line, so that a line to the mouth of Sandusky Bay will include Kelley's Island; thence up the Sandusky Bay to the place of beginning.

March 23, 1840, the legislature restored to Sandusky county, all that part of Clay township in Ottawa, commencing at the southwest corner of section twenty-three; thence north to the northwest corner of section eleven and thence west to the Wood county line. This addition forms the north part or jog of Woodville township.

The name of the county seat was changed from Lower Sandusky to Fremont, at the October term 1849 of the Common Pleas Court.

July 18, 1866, the population of Fremont having reached more than five thousand inhabitants, it was by state authority as then required, duly declared a city of the second class.

Fremont, Ohio.





## THE WEST IN AMERICAN HISTORY.

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JOHN LEE WEBSTER,  
*President Nebraska Historical Society.*

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History is to a nation what the faculty of memory is to individuals \* \* \* the basis of all our experience, and by means of experience, the source of all improvement. \* \* \* History knows all things, contains all things, teaches all things; not in winged words which strike the ear without impressing the mind, but in great and striking actions. \* \* \* The spirit of the world itself is but a great and unending tale repeated from age to age, the poem of God, the source of human inspiration. Such is a condensed statement of the expressions of Lamartine, the French scholar and historian.

Prof. Van Dyke, in speaking of the footprints of a desert deer found in the petrified rocks upon a mountain top, said: "How many thousands of years ago was that impression stamped upon the stone? \* \* \* And while it remains quite perfect today, the vagrant hoof mark of a desert deer, what has become of the once carefully guarded footprints of the Sargons, the Pharaohs, and the Cæsars?"

I take these two excerpts from distinguished writers as a thought from which to deliver a discourse upon the great West, its place in American history, past, present and prospective future, and the urgent necessity, as well as the expediency of preserving its history.

Columbus, gifted by genius, was inspired with the belief that the world had lost one of its hemispheres. With him it was to be the discovery and bringing back to world relationship, not the Atlantic sea coast, but the entire American continent.

Yet, when the Bostonians threw the tea into Boston Harbor they did not know of any land west of the Alleghenies. John Adams, the gifted advocate and fire brand for independence, knew nothing of lands westward from the colonies and their

tributary territory. Madison and Wilson and their associate co-workers in framing the Federal Constitution were only acting as the representatives of the original thirteen states. The far seeing George Washington looked westward only into the regions bordering on the Ohio River. Thomas Jefferson did not dream of the Louisiana Purchase until he learned of the importance of the Mississippi as an outlet of commerce at New Orleans, and that the missionary and the Spaniards were establishing habitations upon the Pacific coast. It was not until half a century later that the Kansas and Nebraska Territorial Bills in Congress began to attract public attention.

Kansas and Nebraska are a part of that vast plain between the Missouri River and the Rocky Mountains which, in an ancient geological period, was the bottom of an inland sea which extended from the Gulf of Mexico on the South to the lake regions on the North. In the climatic conditions which took place as the ages rolled along, this plain had its tropical period, when there were forms of vegetation and animal life which in this day can only be found in Africa and South America, and others which belonged to the medieval world and are entirely extinct. In the rotation of time, other changes took place, and the regions of Arctic cold came where the tropical zone had been. The glaciers came down from the North and spread their deposits all over the vast plain from the mountains to the Missouri River. Following these geological and climatic changes there afterwards came the Great American Desert, when little sand dunes were seen everywhere, and the parching sun dried up the vegetation.

Lieutenant Pike, in his report of two government explorations into these western regions, said that these immense prairies "were incapable of cultivation" and would have to be left to the "wandering and uncivilized aborigines of the country." Major Long, in a report to the United States of his explorations into these regions, said of the prairies that they "bear a resemblance to the Desert of Siberia."

Washington Irving the historian of John Jacob Astor's western enterprise, indulging in the elegance of a romance writer, said of the American Desert, "It spreads forth into

undulating and treeless plains, and desolate sandy wastes, wearisome to the eye from their extent and monotony, and which are supposed by geologists to have formed the ancient floor of the ocean, countless ages since, when its primeval waves beat against the granite bases of the Rocky Mountains." A United States senator, in opposing the admission of Kansas into the Union as a state, under the Wyandotte Constitution, said, "After we pass west of the Missouri River, except upon a few streams, there is no territory fit for settlement or habitation. It is unproductive. It is like a barren waste."

But since the days of Adams, and Madison, and Washington, and within a little more than a half century, the nation stretched out its hand into this desert region and created a fertile soil, and peopled it with America's noble men and women, who have constructed homes and school houses and churches, and built towns and cities, and established marts, and built railroads as commercial arteries, until these prairies have become the granaries of the world and gardens of beauty.

We, the whitemen, are repeating in our age the same old story. Historians tell us that the glories of antiquity were highest in the lands of the desert. It was so in old Egypt and Palestine. It was so in Arabia, Persia and Northern India. It was so in the lands of the Carthaginians and of the Moors. As these desert lands were once the heart of the world, we are making the west the heart of the best grazing and the best producing harvest lands of the American Continent. The old worlds lost, not because of their lands, but because of want of mental and physical energy in their people. Our experiment will permanently endure because it is the home of the golden period of our manhood. It is this Kansas which is celebrating this anniversary of its history.

The changing geological conditions from the time when this land arose up from the bottom of the sea, to become again buried under the glacial deposits, are no less wonderful than the transition of the American Desert to this paradise of states extending from the Missouri River to the Pacific, which has come about within the memory of some of those who are here participating in this celebration.

This reaching out of the land of the nation into this desert brings to our minds the awakening of the great west from its primeval sleep of countless ages, to welcome and receive the pioneer and the emigrant; the time when the Great Spirit of the Indian tribes, their God Manitou, was to give way to the influence of the missionary priest with the cross in his hand, and the Christian religion, and the white man's God.

Again, the nation is stretching its hand out into these desert regions, and irrigation is changing arid plains into farms, and orchards, and gardens. Again we see, as the sea receded, as the glaciers melted, the desert passes, and verdure and trees come to cover the land as the conquering heroes of old were adorned with chaplets of flowers. Water! Water! has become the master King of the desert.

New England had her Pilgrims and her Puritans who occupy abundant space in the pages of her history. Virginia had her Cavaliers to whom is traced much of her chivalry and aristocracy. The great West had its Pioneers whose lives a century hence will be no less interesting to us than are the lives of the Pilgrims and the Puritans to New England, or of the Cavaliers to Virginia.

These Pioneers were daring and intrepid men; men in whose life currents there flowed in modified and enlightened form the elements of that spirit of old that led the Macedonian chieftain in his conquering career into Asia, and won him the title of Alexander the Great; that dwelt in Rome and marched with Cæsar's armies through the forests of Germany and the valleys of Gaul; that went with the Black Prince of Normandy when he crossed the North Sea and vanquished the armies of Harold, and gave him the realm of England for a throne, and the name in history's page of William the Conqueror; that spirit of old that led Columbus across the trackless ocean to find a new continent that the world might move onward, and without which America would have remained unknown.

The Norwegian Americans, who make up a great part of the inhabitants of the northwest, and are strong factors in our national character, can trace their American foundations back beyond the discovery of Columbus to the days of the Vikings,

when they sailed the waters of the far north as pioneers of the sea.

Such were the men who laid the solid foundations of the West, that West, where, in our day, evidences of refinement are seen everywhere; that West, which is moving the center of the country's social, commercial and political gravity farther westward every year, and represents untold possibilities for the future.

The control of the government has already passed away from the original thirteen states. The form of the national government is the same. It is exercised under the same constitution, but its administration has been transferred largely to the states of the Ohio and Mississippi Valleys, and in a period of time it will be transferred to the states west of the Missouri River. In like migration the keeping of human rights and human liberty on this continent is being transferred into the hands of the people of this new West, and to maintain it they must be firm, and bold, and patriotic.

For more than a hundred years the planters of Virginia and the Puritans of New England were European sentinels standing guard over the Atlantic seaboard for Old England. Our pioneers began as empire builders and in less than a hundred years have brought nineteen new states into the Union. They were as the Star of Bethlehem, leading and lighting the way for the twenty millions of people who are the citizens of these new states, and all under the American flag.

The Pioneers have made the desert an epitaph on the tombstone of time. Steam and electric forces are now ruling the West as they rule the East. With us the present is living history. The United States in this, the twentieth century, is flashing the light of its liberty and national supremacy over the world.

It is confessedly true that the fundamental principle of the United States government is human liberty. But today there is a more lively spirit of individual manhood and personal independence and of human liberty in the states west of the Missouri River than exists anywhere else. It has a broader scope and meaning than the phraseology of Jefferson in the Declaration of Independence that "All men are created equal and have



certain unalienable rights, among which are life, liberty, and the pursuit of happiness," for that declaration has always been construed with some limitations.

The St. Gaudens statue of "The Puritan" standing with a staff in one hand, and a Bible under his arm, typifies the spirit in which New England was peopled. It is like the glory of the fire that came down from heaven to make itself the living coal on the altar. Some day the state of Kansas will take just pride in placing in the Hall of Fame at Washington a heroic sized statue of John Brown. His voice was like unto the voice of one crying in the wilderness, and what he said was true. It is the spirit of John Brown which has worked out into reality and living truth the statement often spoken by Frederick Douglas that "Man belongs to himself. His feet are his; his hands are his; the hairs on his head are his. It always has been so, and it always will be so, until tyrants shall storm the citadel of Heaven and wrest from the bosom of God man's title deed to himself."

It has been said that it is the happiest of all fates to be born in New England and live in the West. Yet it is true that we have only "crossed the threshold of our new epoch." The men who plow, and plant, and cultivate are writing history on the imperishable earth. The prosperity of Kansas and Nebraska springs from the soil and the seasons, and the industry of their citizens. The farmers plant in faith; they cultivate in hope; they reap in grace. They are the uncrowned kings of the day.

It is interesting to contemplate the white man's invasion of this great West. What millions of men have been employed in this warfare of settlement and of migration; what billions of money have been employed by way of improvements, and in rewarding the processes of development; what farming districts have been created, and what workshops, and what railroads have been constructed in the wilderness; what cities, with their busy thousands of inhabitants, have been built in what was once the solitude of these primeval lands; what states have been carved out of the prairies and mountains extending from the Missouri to the Pacific; what undreamed of commerce is transported by land, and then sent forth in the holds of ocean going

steamships that whiten what was at that time the unexplored Pacific ocean. It is a subject which I have not time to elaborate. When properly told it will fill volumes of history and should be written by a pen not less brilliant to that of a Parkman, a Prescott or a Macaulay.

As citizens of the West we have but a limited appreciation and but a partial comprehension of the extent of its territory, of its present or future possibilities. Kansas and Nebraska are each equal in area to ten states like Vermont, to fifteen states like Connecticut, to thirty-eight states like Delaware, and to seventy states like Rhode Island. All of England and Scotland, and Ireland, and Belgium, and the Netherlands could be put within the boundaries of the Dakotas. We could put these same European countries within the states of Oregon, Washington and Idaho and have more land left than there is in all the New England states. If Texas was an inland sea and the Republic of France was dropped within it, it would form an island, the vision of whose inhabitants would not span the surrounding waters.

What is this great West doing for the world today? There are illustrations which beggar description. It has been said that American energy sweeps the decks of the world's commerce. That energy comes from the West. It has been said the cradle of today is rocking elements that will startle the world of tomorrow. Their discoveries are being made in the West. It has been said "electric words from the land shores jump into wireless aerial chariots, and, in the twinkling of an eye dance upon the decks of ships hundreds of miles out at sea." It is from the West that there comes the products of the soil, and of the mines, and of the ranges, and the forests, the material that laden these ships that makes wireless telegraphy a useful instrumentality in the world's commerce.

The number of vigorous, energetic and industrious free men in this great West, is six times as great as the population of the thirteen colonies when the Declaration of Independence was signed, and when the battles of the Revolution were fought; five times as great as the population of all the states at the time when the Federal Constitution was adopted. It is a popu-

lation greater than that of England when she carried her banner to victory over the chivalrous hosts of France at Crecy and Agincourt. It is a population greater than that of Greece when she won her separation from the dominion of the Turk. A population nearly as great as that of Sicily and Naples, and of Italy when Garibaldi started the revolution that created the federation of the Kingdom of Italy under Victor Emanuel. A population nearly as great as that of France at the time of her Revolution or when Napoleon began his career as her Emperor.

Visions of our future population and of wealth "sweep across the horizon of historical possibilities." The wave of population from Europe westward across the Atlantic began only two centuries ago, yet in the United States alone we have nearly one hundred millions of people. The overflow from Italy, and Austria, and Germany, and Belgium, and Holland, and Norway, and Sweden, and England, and Scotland and Ireland is still going on, and will continue to go on as long as the races of the world continue to increase in numbers. Putnam Weale, who has achieved much distinction by his books dealing with the Far East, and the world's future, estimates that the existing population of the earth will double in numbers by the end of the century. Where will these vast millions of people go? Will not the white men follow the tide of migration to North and South America? But of these continents our great Northwest offers the better opportunities and the more inviting prospects.

The same writer has estimated that by the end of the century the United States will have a population of three hundred millions of people. Mr. Carnegie, no less thoughtful or intelligent, and not an unreasonable enthusiast, has said that the United States will ultimately have a population of five hundred million, every one an American, and all boasting a common citizenship. Should that day come, more than two hundred million of them will live west of the Missouri River.

We have said it is within the range of possibilities. Nebraska and Kansas, when compared to Holland, which sustains a population of four hundred and fifty people per square mile upon a soil which has been lifted up out of the sea, an artificial creation, can sustain a population of seventy millions. The arable

land of Egypt, surrounded by desert and dependent upon irrigation coming from the overflow of the Nile, has a much larger proportionate population; nine hundred and fifty per square mile. Might not these two states sustain one hundred and fifty millions of people like the Egyptians?

But we are not dependent upon our agricultural lands for the capability of sustaining a vast population. There is more water power in the rivers that flow from the slopes of the Rocky and Sierra Mountains than there is in all New England. These rushing mountain streams of the West are awaiting the coming of the mill owner to make the capital of the investor become profitable. There is more lumber in Washington and Oregon and more extensive forests on the western slopes than there ever were in Maine and Michigan. There is more coal in Wyoming and Colorado than there ever was in Pennsylvania. There are more outcroppings of iron on the slopes of the Rocky Mountains than there are in all the states east of the Mississippi. The great manufacturing country of England, with her commerce that encircles the globe, goes to Africa with an enormous outlay of capital, and maintains a protective army, to get the supply of gold to maintain her money standard. The United States for a century has been taking her gold and silver from her own western mountains, which, for ages, have been lying sleeping there, awaiting the coming of the pioneer and the gold digger, and for the improved machinery and appliances of these modern times. We can have every species of industry in the West because it offers possibilities of every sort.

I am not wholly without support if I speculate upon the possibility of the Pacific Coast ultimately having larger cities than New York, or Boston, or Baltimore. The scholarly and wide visioned, Charles Sumner, once said the world shall see in that far clime the streets of a wealthier New York; the homes of a more cultured Boston; the halls of a more learned Harvard; the workshop of a busier Worcester.

All this territory of the great West came to the original United States by acquisitions either by purchase, or treaty. The boundaries and limits of the republic have already become so extended that they greet the morning sunrise, at Porto Rico; and

the southern sun when it reaches the tropics, at Panama; and when it sends its glancing rays into the polar circle, from the northern regions of Alaska; and now when he sets in the far western ocean we bid him good night from Hawaii and the Philippines.

Notwithstanding this unlimited dominion, we have the same form of government that was administered when we had less than five millions of people. The same constitution has answered our demands, although we have today one hundred millions of people, and why may it not satisfy our necessities should we perchance in time have five hundred millions? If our public and private virtues shall be preserved, our government will live through all times, no matter how extensive its territory and magnificent its worldly institutions, as surely as our material progress is destined to indefinite continuance.

It is believed that there is a Destiny which has forever been guiding the course of the human race. That same Destiny which carried the Christian religion, and civilization, and learning, and literature, and the arts from the banks of the Nile and the shores of the Adriatic, across the continent of Europe to Paris and London, later carried it across the Atlantic. That same Destiny is now shedding its bright effulgence all the advantages of culture and mental adornments over the great West.

But my speculations for the future are more than dreams of imagination or hopes of the fancy. From the American Desert until now, and from now to a century hence is the march of progress under the hand of God. It is the American Republic coming into her own, the ruling power, the mistress of the world.

We recur again to the value of this history and how it shall be preserved. History does not consist alone in the frigid recital of cold facts. There is that in history which appeals to the imagination. It is the romance of the lives of men who engaged in the stirring events of the period in which they lived. It is the recital of the transactions and creations of men and peoples and nations. It is the condensation into general declarations of the materials found in the thousands of biographies.

History lies at the bottom of all knowledge. It is the first



starting point of all learning and of all literature. Our national government is founded on principles gathered from centuries of history.

Our epic poems and our literature are varied and inspired expressions of the stirring events in history which have appealed most to the imagination. Had it not been for the historic events that made the siege of Troy memorable we would not remember Homer, and the literary world could not have had the enjoyment that has come to it through the long time of centuries from the reading of the *Iliad*.

Without the historical traditions of the old Italian cities and without the histories of the wars between the Kings of England and France, Shakespeare would have been obliged to depend upon the invention of his poetic genius for his fame.

Other poets who have put forth in melodious phrase the thoughts that have come to them by the inspired muse, have been indebted to incidents of history. This is true from Virgil to Milton, from Byron to Tennyson, and from Longfellow to Whittier.

The history of our country, as well as that of other countries, will live in its poetry. "Every great event, every historic episode, every critical moment in the annals of the nation is immortalized by the rhythm that thrills the hearts of the people down through the generations."

History has been the field from which novelists have gathered the material for their romances. Without the history of England and Scotland we would not have had those beautiful pen pictures that run through the historical novels of that genius of Scotland, Sir Walter Scott, romances which have furnished abundant instruction and made millions of people happy while reading them.

Had it not been for the recorded pages of history of the old Roman Empire we would not have had Bulwer's brilliant historic romance, *Rienzi*, *The Last of the Tribunes*. Had it not been for the archaeologist and the historian, Bulwer could not have given to us the *Last Days of Pompeii*. Had it not been for the recording of the exciting and tumultuous scenes of English

history we would not have had Bulwer's masterpiece, *The Last of The Barons*.

The thousands of biographies of soldiers, of statesmen, and of men eminent in various walks of life have been written by their admiring friends to perpetuate the memory of their actions and deeds and achievements to future generations. The primary purpose of biographies is a standing protest against oblivion and a contest to perpetuate the lives of these men in the pages of history.

Go into any library and take down from the shelves all its volumes of history, and all its poems, and all its romances, and all its biographies, and all other volumes that deal in a general or specific way with the events of history, or appeal to the incidents of history to support their recitals, or contentions in argument, and commit all these to the flames, and the library shelves will become vacant. When all these are gone the colleges must go, the universities must go, and civilization will go back to a period of ignorance greater than that of the dark ages. Then we would have to begin again as the world did centuries ago to build up a new education, and a new civilization, and pass through a long line of centuries to reach a bright and exalted period equal to that of the present age. Aye, more than all that; when all these go the Bible must go, because, whether treated as a book of inspiration or as a great literature, it is a history of ancient Kings, and of Nations, and of Peoples, of the Jews, Assyrians, Babylonians, and Egyptians, and of the Prince of Peace. Strip the world of the benefits of history and the world would not be worth living in.

Without history we would not have our common country. Without a familiarity with the Magna Charta, and with the English Bill of Rights, and the liberty of the individual man under the unwritten English Constitution, Thomas Jefferson could not have written the Declaration of Independence. Without that knowledge of the rights of Englishmen which were transplanted to the American Colonies, Washington could not have successfully carried on the War of the Revolution.

Without a full and complete knowledge of the history of the conflicting contests between freedom and oppression, which pre-

vailed through the long evolutionary periods from ancient Greece to the Federation of the Colonies, Madison and Hamilton and Wilson and their associates could not have framed the federal Constitution, and its supporters and advocates could not have secured its approval by the American people.

Patriotism is the life and support of every nation and without history patriotism would be unknown for patriotism has its birth-right in the spirit of history. Patriotism is a sentiment that has its inception in a reverence for the old historic beginnings. With America it goes back in memory to the landing of the Cavaliers at Jamestown, and of the Pilgrims at Plymouth. It is cultivated and increased by its reverence for the memories of Washington and his associate revolutionary heroes, and its recollection of all the bright pages in history that record the development of the country from its birth to its present great and majestic proportions. Blot from memory the history of our early beginning, the memories of our battles from Yorktown to the Spanish War, and the memories of the lives of the great men that have brought this country up to its present standard of supremacy of a world power, and we would not know the meaning of the word patriotism.

Hence, confidently we may assert that without the benefits of history constitutional government could not be created and governments of laws and equality could not exist. Blot out history and organized governments would dissolve and society would lose the bonds of fraternal unity, and the only ruling power that man would know would be the power of force, as exercised by a chief of a savage tribe, or a conquering warrior like a Tamerlane or an Alexander.

State historical societies collect and preserve the historical incidents and records which are the wells from which spring forth the intellectual and spiritual growth of our people, just as sculpture and art are the culmination of historical sequences. The interests which these societies represent are the foundation upon which the States rest and the Nation is maintained. A reverence for the valuable materials gathered by these historical societies is one of the strongest moral influences that can be inculcated in our people. Upon an appreciation of what shall be

gathered there, rests the spirit, the loyalty and the patriotism of the generations. Historical knowledge is a positive force in moulding public opinion and is now, as it ever has been, the source of precedents for our institutions of justice.

As the air we breathe is drawn from the great depositories of nature, and the light which illumines the day comes from a central sun millions of miles distant, so the knowledge which we possess in our age is drawn from great depositories of history, and our advancement and development is traceable to the historic precedents of the measureless past.

The older nations of the Continent of Europe, such as France, Germany, and Italy, long since learned the wisdom of bringing home to the understanding of the common people an appreciation of the memorable events in their national histories by means of works of art. The great historic truths which the mind can take in while the eye is resting upon a dream of beauty, either in the wonderful work produced by the sculptor's chisel, or in figures of beauty dressed in robes of color by the artist's brush, are lasting and persuasive. It is a happier method of instruction than the wearisome labor of searching through the store-house of archives. America, too, is fast learning this method of teaching history and within the last few years her history is being immortalized in marble and bronze and painting. The National greatness of the Republic is being symbolized in memorials on its public buildings. Our monuments in figures of bronze and in chiseled marble are daily reminders of our achievements in war and in peace.

The statues of Grant, and Sherman, and Farragut, and Hancock and others that adorn the parks and circles in Washington City, and soldier memorials in all the states, tell of the victories in the Civil War which gave to the country nationality. The statues of Lincoln, simple and unadorned though they may be, recall the Proclamation of Emancipation more vividly than it can be retold by any historian.

The lovers of our national history have sought the aid of the painter's brush to keep fresh and vivid the biographic memories and personages of the founders of the Republic. The painted portraits of Adams, and Hancock, and Franklin, and

Hamilton, and Jefferson, and of Generals Warren and Stark, and Lincoln, and Knox, and Gates, and Green, and Washington convey to us a deeper and more lasting impression of their characters and of their successes as statesmen, or as soldiers, than do the printed pages found in their biographies, or the histories of the times in which they lived.

The large paintings of the battle-fields from Lexington and Bunker Hill and Germantown to the surrender of Cornwallis at Yorktown are a brilliant condensation of all the history of the War of the Revolution, just as the picture of the "Signing of the Declaration of Independence" tells the history of the beginning of our Republic. It has been said that the true history of a people is written in its art. It is the genius of the sculptor that has fashioned in marble the exquisite conceptions of the life, of music, of art, of learning, and of science in America. These conceptions represent some deep philosophical truth in life as it is interpreted from historical records found in the archives of State historical societies.

Art is as true a record of a nation's progress as a scroll, and pictorial impressions are oftentimes greater than the written word. The older civilization of the old world is represented in her priceless masterpieces, and such are more influential upon the national spirit and character than speeches and books.

State Historical Society Buildings and Memorial Halls are treasure houses of history. Their interior walls should be decorated with mural paintings, as is the Congressional Library, representing the history of the State. These buildings should have bronze entrance doors representing "Knowledge" and "Wisdom" and "Memory." I believe that a State Historical Society Building should be more than a store-house for a museum and a hiding place for archives. To the contrary, it should represent in bronze, in sculpture, and in art, all that makes for history, culture, beauty, scholarship, and higher civilization.

The West is passing through a phase of history to which can be found no parallel except in the remote ages of the buried past. Centuries upon centuries ago there were empires which exist no longer. Cities were builded which have been depopulated and crumbled into decay. In those ancient times



there were people who spoke languages that are no longer spoken and which are known to us only as they are taught by linguists in colleges or universities. We are in a state of bewilderment when we read of these ancient people whose empires and kingdoms and languages have disappeared. We ask ourselves how could these things transpire?

It is unthinkable to us that New York and Boston and Philadelphia at some future time should crumble into ruins; that the United States government should fall into decay; that the American people should become extinct; and that a new race of people, speaking a new language, should in our stead tread the soil of the American Continent. Yet we know that such a period of transition from one nation to another, and from one people to another, and from one language to another has actually taken place in western Asia and in southeastern Europe.

We, of the West, are today witnessing the disappearance of a race of people. The Indian tribes that once possessed this entire country have been driven to the western frontier and we are the observers of their gradual extinction. Here in the West we can see, and we can feel, going on around and about us, a transition in history almost as remarkable and wonderful as that of the preceding ages which I have mentioned. There is in it a pathos that appeals to our sentimentality and a foundation for a romance in history which can be furnished by no other continent.

But while to us one race of people is becoming extinct, there is a counterpart in the beginning of the creation of a new race of people, which is the composite of all races and all classes who make up our western population—an amalgamation of Norwegians, of Swedes, of Danes, of Irishmen, of Germans, of Frenchmen, and of Englishmen into the new American man of the West. In that new man be found the mental and physical characteristics of all these different peoples.

In him may be traces of the nervous energy and versatility of the Frenchman, of the progressive push of the German, of the strong will power of the Scotchman, and the conquering spirit and energy of the Englishman. As the Frenchman has superseded the Gaul, as the Englishman has superseded the Briton,

as the Anglo-Saxon has peopled America, this new man of the West has already succeeded our Puritan ancestors. These new western men will exercise a dominating influence in the government of States and in the affairs of the Nation.

The States of the West owe it to themselves to preserve in the archives of their historical societies the traditions of adventure and the records of the conquests of the prairies and the uplands and mountains by these daring and courageous pioneers. They owe it to themselves to preserve in substantial form the historical romance of the disappearance of one race of people before the advancing progress of American civilization. The States owe it to themselves to collect and preserve in unperishable form all the material necessary to convey to the people in the generations, yes, even in the centuries to come, a comprehensive understanding of what the wilderness was before the hand of man had transformed it into a granary of wealth and a garden of beauty, and what were the racial characteristics of the people that are to form the new composite man of the great West.

The lives and history of our pioneers, our scholars, our statesmen and soldiers should be preserved by our Historical Societies and in our Memorial Halls through the countless ages, as are preserved the hoof print of the vagrant desert deer of Van Dyke, for they are of more value to the future of our public than the history of the Sargons, the Pharaohs and the Cæsars.

**ISAAC NEWTON WALTER**  
**PIONEER PREACHER OF OHIO.**

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BYRON R. LONG.

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The writer while yet a small boy, rummaging among the books in an old library came across a volume of thrilling interest. The title of the book was "The Pioneer Preacher," written by a blind man who served his country in conspicuous places, first as a pastor and then over a period of about twenty years as chaplain of the Senate and House of Representatives in the Congress of the United States.

This versatile man's name was William H. Milburn. The book consisted of lectures that were delivered before the Lowell Institute. Because of their historical character, and the fact that they were in a style simple and graphic, they grasped the attention of an eager boy and held it through to the end.

On account of the nature of the task I have set for myself in writing this sketch, my mind reverts to this book and to one of the lectures with the title "Rifle, Ax and Saddle-Bags"; particularly to the last portion of it. The author used these terms as symbolical of phases in the pioneer life of America. The ax representing heroic effort of men who went forth to subdue the forests and to clear them away that states and cities might grow and fields spread to receive the seed of future harvests. The rifle to represent the phase of early life in the western world which meant defense against savage life that should attempt to prey upon homes and fields. The saddle-bags symbolized another phase which was important beyond measure to that period and to all periods of the movement of man through this world.

Let me quote the language of the book here: "I see approaching another class with many traits common with the men of the ax and rifle, yet many different. They, too, are of large build and robust strength; they, too, have nerves that

never thrill with fear. Sun and storm have bronzed them; hunger, frost and loneliness are to them familiar acquaintances. Gaunt poverty keeps even pace with them as they ride, and shall accompany them until they reach the last stage of their journey,—the house appointed to all living.—Wherefore are they in the wilderness—for they have neither rifle nor ax?"

The answer to the last question is written in the fruits of lives given unselfishly and that tell the story of an American civilization more glorious than any other that has had place on the face of the earth.

Mr. Milburn in 1855 delivered an address before a company of writers and publishers in the Crystal Palace, New York City, in response to the toast "The Clergy" in which he pays his respects to the class that braved the forest wilderness in proclamation of the everlasting gospel. He said in the course of this address: "They were the first to penetrate the wilds of the new countries, carrying those precious commodities,—books. Their training, as itinerate ministers, began in the saddle, and in lieu of holsters they carried saddle-bags crammed with books for study and for sale; for the church economy held it a duty of the minister to circulate good books as well as to preach the word.

"Let me change the figure. Although they were graduates of Brush College and Swamp University they were always the friends of a wholesome literature. Picture then, a young itinerant, clad in blue jeans or copperas homespun; his nether extremities adorned with leggings; his head surmounted with a straw hat in summer, a skin cap in winter; dismounting from the finest horse in the settlement, at the door of a log-cabin, which may serve as a school-house or a squatter's home, carefully adjusting on his arm the well-worn leather bookcase. See him as he enters the house of one room, where is assembled the little congregation of half a dozen hearers,—backwoods farmers and hunters, bringing with them their wives and little ones, their dogs and rifles. The religious service is gone through with as strict regularity as if it were in a cathedral. At its close our young friend opens the capacious pockets of his saddle-bags displaying on the split-bottom chair, which has

served him as a pulpit, his little stock of books, to the eager gaze of the foresters. \* \* \*

"Thus day after day did the circuit-rider perform his double duty of preacher and book seller. This plan was designed to work as a two-edged sword, cutting both ways; to place a sound religious literature in the homes of the people, and (as the books were bought at a considerable discount) to enable men whose salaries were a hundred dollars a year (and who rejoiced greatly if they received half that amount) to provide themselves with libraries."

William Cullen Bryant was in the company that listened to this address and to him a fine compliment was paid.

In the body of the book after giving a glowing description of Henry Bidleman Bascom, one of these forest graduates who became a Chaplain of Congress, a Doctor of Divinity, the President of a University and an honored Bishop in the church of God; he goes on to say: "These men had the wilderness for a college; their theological seminary was a circuit; and lessons enough in pastoral theology did they get. Their text book was the Bible for, more than any others I have known, they were men of one book. Their commentaries and works of exegesis were their own hearts, and the hearts of their fellow men which they prayerfully and devoutly studied. They were 'workmen who needed not to be ashamed, rightly dividing the word of truth!'

They went their way singing the old hymn, familiar to their time:

'No foot of land do I possess,  
No cottage in the wilderness;  
A poor wayfaring man,  
I lodge awhile in tents below,  
And gladly wander to and fro,  
Till I my Canaan gain;  
There is my house and portion fair,  
My treasure and my heart are there,  
And my abiding home.'"

President William Henry Harrison said of these men: "Who and what are they? I answer they are ministers who are technically denominated 'Circuit Riders,' a body of men who,



for zeal and fidelity in the discharge of the duties they undertake, are not exceeded by any others in the world. I have been a witness of their conduct in the western country for nearly forty years. They are men whom no amount of labor tires, no scenes disgust, no dangers frighten when in the discharge of duty. To gain recruits for their Master's service they sedulously seek out the victims of vice in the abodes of misery and wretchedness. The vow of poverty is not taken by these men, but their conduct is precisely the same it would have been had they done so. Their stipulated pay is barely sufficient to enable them to perform the duties assigned them. With much the larger proportion of these men, the horse that carries them is the only animated thing which they can call their own, and the contents of their saddle-bags, the sum total of their earthly possessions.

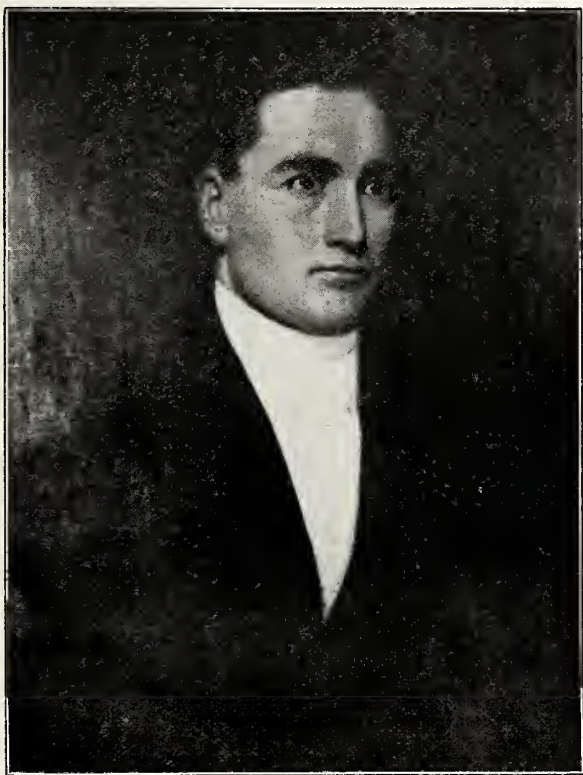
"If, within the period I have mentioned, a traveler on the western frontier, had met a stranger in some obscure way, urging his course through the intricacies of a tangled forest, his appearance staid and sober, and his countenance indicating he was in search of some object in which his feelings were deeply interested, his apparel plain but entirely neat, and his little baggage adjusted with peculiar compactness, he might be almost certain that the stranger was a preacher, hurrying on to perform his daily task of preaching to separate and distant congregations, and should the same traveler, upon approaching some solitary, unfinished, scarcely habitable cabin, hear the praises of the Creator chanted with peculiar melody, or the doctrines of the Savior urged upon the attention of some six or eight individuals with the same energy and zeal displayed as in an address before a crowded audience of a populous city, he might be certain without enquiry, that it was the voice of one of these ambassadors of Christ."

How much our country owes to the work done by these brave men has not been estimated neither indeed can it be.

The matter used in the foregoing has merely served as preliminary to the subject matter which is to be used for the historical sketch here recorded.

The character to be described herein was one of the circuit-

riders to which reference has been made and, although his name is unfamiliar to this generation, the period from 1825 to 1850 in the state of Ohio, especially throughout the central portion of the state, held no name in greater reverence. The writer became familiar with the name of the man early in life, by hearing the



REV. ISAAC NEWTON WALTER.

Aged 30.

story of his singular power and beautiful character told by a grandmother who sat under his eloquent preaching on many occasions during the period above mentioned. He had been dead but three years when the writer was born and having died in the zenith of his fame the story of his career was fresh in

the minds of those who related the incidents of his remarkable life in my childhood ears. Afterward I read the story of his life written by a longtime friend. That book is out of print and it is doubtful if a half-dozen copies can be found. The copy which has furnished much of the data for this sketch belongs to a grandson now living in Columbus and who is one of the city's well-known business men and a member of one of Franklin County's most highly respected families.<sup>1</sup>

This sketch will be interwoven with the story of the religious denomination to which he adhered and which during the period covered by his brilliant ministry gained a strong hold on the people over large areas both in the eastern and western part of our country; but which, through misdirected zeal coupled with the zeal of another denomination differing but little in its doctrinal tenets, has never grown to any very noticeable dimensions;

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<sup>1</sup>Six children were born to Rev. Walter and wife, four of whom lived to maturity. Their names were Isaac N. Jr., John P., Mary and Sarah A.

Mary and Sarah both lived to great age and reared larged families. The two boys grew to manhood but died young.

Mary was married to Mr. F. A. Sells of Dublin, Ohio, and became the mother of three sons and five daughters, most of whom lived their lives in Columbus. One of these sons and two of the daughters together with the widows of Walter and Francis A., still reside here. J. H. at 91 Winner Ave. and with him his sister Lydia. Mrs. Charles M. Wambaugh resides at the Lincoln. Mr. Howard Park married a sister.

Sarah, the second child, married Joseph Cathcart and was the mother of five children, one son and four daughters. The four daughters are still living. Elisabeth married a Mr. Phillips and resides on East High street in Springfield, Ohio, in the property which was the home of her grandfather Walter. The other three daughters live at the Locusts, Fairview Road, Cleveland, where their mother died in 1913 at the age of eighty-three years, retaining her faculties perfectly till the end.

In this quaint old home are kept the precious heirlooms of the family. Here are many volumes of their grandfather's library. The saddle-bags used by him in his long journeys across the mountains, many articles of furniture, the record which he kept of marriages, funerals, sermons preached, conversions, baptisms and miles traveled. Beautiful life-sized oil paintings of the great preacher and his wife painted by a noted artist while Rev. Walter was pastor of the church in New York city. Most of the library has been given to Antioch College.

numbering at this time about 100,000 members in both Northern and Southern conventions, whereas the Disciples of Christ who are like them in points of doctrine and practice save in a few non-essential particulars have grown to number 1,400,000.<sup>2</sup>

Isaac N. Walter was the son of John and Mary Moore



MRS. LYDIA ANDERSON WALTER.

Walter, and was born on Lee's Creek, Highland County, Ohio, January 27, 1805. His ancestry is but meagerly chronicled but enough is known to establish the fact that they were English-

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<sup>2</sup> The last census given out by Mr. Carroll of the census bureau gives the Christians a membership in the United States of 113,000, and a commendable percent of gain within the last twelve months.



born. As runs the usual story, his paternal great-grandfather with two brothers, settled in Philadelphia at an early period in the history of America, and here his grandfather was born February, 1727. Having reached mature years this grandsire removed to Chester County, Pennsylvania. Here John Walter, Jr., the father of Isaac N. was born in 1758, and lived there until 1784 when he removed to Grayson County, Virginia. Three brothers of this family participated in the war of the Revolution. Joseph, the youngest of the three, losing his life while serving with a baggage train.

In 1790 John Walter, Jr., was married to Mary Moore Alsop at that time a widow, who became the mother of the subject of this sketch after their removal from Virginia to Ohio which occurred in the year 1797. Their life in Ohio began in an Indian camp the year following the establishment of Wayne County, out of the then Northwest Territory.

"Wayne County was established in the year 1796. It included all the North Western Part of Ohio, a large tract in the Northeastern part of Indiana, and the whole territory of Michigan. Also a part of Illinois and Wisconsin, bringing within its border Ohio City, Sault St. Marie, Mackinaw, etc. In the year 1798 the Northwest Territory had a population of five thousand free male inhabitants of full age."

This was a very small planting of human life for so large an acreage. Life in the new land was a lonely experience for the young couple; but they, like others, lived in the spirit of prophesy that saw a blossoming wilderness.

Chillicothe was thirty-three miles to the east of them and the village of Cincinnati sixty-seven miles to the west which, three years after this in 1800 had a population of 700. John Walter, the father, was a self controlled, courageous man, and though overtaken with misfortune just before removing to Ohio by which he was bereft of nearly all his belongings, he is said to have borne it with utmost confidence that he would reestablish himself once more. The mother of Isaac was a woman of peculiarly strong and beautiful character. Her son recalls her motherly care and never fails to credit her with laying the



foundation of whatever his own life revealed of power and influence.

"I remember full well," these are his words, "her mild and expressive countenance, her speaking eye, her gentle yet firm words of instruction, \* \* \* and in later years she released not a mite of her watchful care, but threw around me the shield of good counsel and encouraged me in the hour of severe trial and discouragement. I shall never forget her, nor cease to feel her influence urging me on in the holy duties of life. Other objects may fade from my memory but my mother, never."

The father and mother were Quakers, the mother a full member of the sect, the father a member only in the respect that he was brought up in the tenets and practices of that faith. Long after the father's death and when the son had become a minister and came to Dublin, Ohio, to serve the church in that village, the mother became a member of the church there and when the summons came to her late in life she was buried from the Dublin Church and her body lies at rest in the village cemetery.

The attractive character of Isaac N. Walter which marked his manhood years and which begot in him almost mesmeric power was manifest in his childhood as well. An impressive incident is related which occurred while his father was yet inn-keeper on one of the traces leading from Chillicothe to Cincinnati and other points to the west. Isaac was only about a half year old when one day a Scotchman of dignified bearing, haling from Edinburgh, came to the Ohio Country and passing this way stopped for refreshment. Just as he was about to leave, he took the babe in his arms and asked the mother what she would call him. She replied "Isaac" for my oldest brother. The traveller took from his pocket a French coin and placed it in his hand and said, "I christen him Isaac Newton Walter," and then handing him back to his mother said, "Madam, take special care of this boy; rear him in the nurture and admonition of the Lord, for he is to be a preacher of the everlasting Gospel, and thousands will rejoice in the judgment day in the fact that he was ever born." Whatever may be our thought concerning prediction of this kind, this one was blessed with fulfillment.

As the boy grew he began to show very early the traits that were to have marked development in the future of his career. His life in the wildwood among Indians, and with impending dangers on every hand begot in him a fearlessness that stood for much in the days when he became a defender of the weak and a pronounced enemy of superstition and oppression.

He early developed leadership, both physical and intellectual. His father died when he was eleven years of age and left him in the care of his loving mother and dependent to no little degree upon his own personal resources. For the strenuous battles he had to fight he marshalled all of his inheritance of brawn and brain supplementing them with determined effort to make them mean all they might for human helpfulness.

No man in all this western world, of the kind of graduation that Mr. Milburn mentions in forewords, did more with his opportunities than did Isaac N. Walter. His talent and love for public speaking found early expression. With no more than two years of schooling under a trained teacher he went forth to make his "merit known;"

"To mould a state's decrees  
And shape the whisper of the throne."

He was in the best sense a self-educated man. While he knew no university as do the youth of our time, nor libraries like the ones that wealth builds for ornamentation of cities, still he was not bereft of sources of information for the world of nature and of man were open to him and these attracted him mightily.

He heard the songs of birds, the music of waters, and the murmurings of the forest. Fields, lakes and rivers, the mountains and valleys between, were to him great spokesmen of the divine mysteries which he knew would more and more unfold even to the limit of his capacity to drink in their meaning and to translate this meaning to an eager, waiting world.

I have spoken of his attractiveness. This, undoubtedly accounted for his great influence over vast audiences that he addressed from time to time in country places and before cultured audiences in large cities. This was a quality of youth

which developed and as he grew older became the touch-stone of his success.

His biographer relates that "his young friends would gather about him with all the confidence of brothers and sisters and acquiesce in his plans for their youthful amusements. Indeed, he appears to have been an umpire among them. His ardent affection and lively imagination gave a warmth and life to the social party that no other one could supply. The secret of all this was his quick intuitive intellect; his manly frankness, and his warm, lively flow of spirit."

In 1823 he became interested in religion in a way he had not known up to that date. A revival was on in a Methodist church near his home. His heart responded to the appeals made, and he took a step that proved the initial one in the direction of a purpose and mission that was to control his life. From that time he began to ponder over the teachings of Scriptures and the various differences existing among churches and denominations that professed to be followers of the same great teacher.

He had at this time reached the age of eighteen and as yet the dogmas of churches had received but little consideration. The divided state of the church, however, could not escape his notice and he began to wonder why it was. He was soon to discover that these denominations or separate parties each had certain beliefs that were different from the others, very slight to be sure, but sufficient to cause them to worship in different churches, to employ different ministers and to carry on propaganda from wholly separate camps. It was the same question that has proposed itself to the simple minded people in heathen lands, when missionaries with different names and methods have gone to win men to Christianity. They have asked, "What is Christianity? Is it what one teaches as a Presbyterian, or another teaches as a Baptist or Congregationalist." The result of all this in heathen lands has been to change the whole program of missionary labors.

This man at the beginning of the 19th century was asking these questions here in Ohio.

In the year following his conversion and while these ques-

tionings were giving him no little concern, he came in contact with a body of men whose distinct purpose was the promulgation of the idea that denominational names are the cause of division among Christians and that no creed is legitimate other than the Bible. Living in a family of Quaker antecedents, and being converted in a Methodist revival, and realizing that there were a great number of other sects with various names, made him ponder as aforesaid, so, that when he met the man with the new light representing the new movement which would countenance no name but Christian for the followers of Jesus and no creed but the Bible, he was ready to listen to what he had to say. The new light appealed to him and after careful meditation he decided to give himself to the new propaganda.

Here we may well pause to give a little attention to this movement which at that time was gaining much headway, East, West and South.

The year 1793 is memorable in the world's history. All Europe was in the throes of revolution. The year opened with the execution of Louis Sixteenth in France and the Reign of Terror spread to many cities and provinces. An old order was dying, giving place to a new one, but the journey to the new was through rivers of blood. New forms of thought in politics and religion were gaining sway in the minds of men everywhere. America had just emerged from a mighty conflict and was experimenting with a form of government the varied character of which men had never before dared more than dream about. A few great men with the modest Washington at their head were bearing the responsibility of this experiment. While changes of political character were making, the religious life of Europe and America was also feeling the effects of the tide-waves of thought that were bearing men to higher standing ground of freedom.

Methodism which, through John and Charles Wesley, Fletcher and Whitefield, had challenged the English Church in the matter of its exclusive right in distributing ministerial orders, had been a growing power since Wesley had withdrawn from the Moravians in 1740. It was not until the year 1793, however, that the Methodist ministers were allowed to administer

the Sacrament on English soil, although that privilege had been granted in America from the time that Asbury was made the first Bishop in 1784.

At the time of Asbury's ordination there was another pioneer preacher who was his rival for the Bishopric. His name was James O'Kelley. O'Kelley was the leader of a movement opposing the authority and life tenure of the bishops. Disappointed, as has been claimed, in losing the appointment of bishop and failure in winning success in his opposition he withdrew from the general Methodist Conference and in 1793 formed an organization known as the Republican Methodist. This body afterward took the name Christian and led away from the Methodist denomination a company to the number of about 6,500.

A little later than this a similar movement was led by Abner Jones, a Baptist, of Lyndon, Vermont.

About the same time, Barton W. Stone, David Purviance, William Kincaid and others, Presbyterians in Kentucky, formed the center of schism in the Springfield Presbytery which resulted in a separation. These three movements became known to one another and a convention was called which resulted in the organization known as the Christian Church — advocating liberty in matters of religious thought and practice, with no name but Christian, no creed but the Bible, and with character the only test of fellowship.

This group of people claim to have established the first religious newspaper in the United States, if not in the world, and the first college in America (Antioch) to graduate a woman on the same platform with a man. The paper is still published in Dayton, Ohio, under the caption "*Herald of Gospel Liberty*."<sup>3</sup> And Antioch College, whose first president was Horace Mann, is still in operation at Yellow Springs, Ohio, with Honorable Simeon D. Fess, a member of Congress, its President — Rev. George D. Black its Acting President.

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<sup>3</sup> The *Herald of Gospel Liberty*, now printed at Dayton, Ohio, is the successor of the *Gospel Herald* of Walter's time, and is in the line of succession to the original paper first published very early in the century in New England.



The Christians were called "Christians," the word being pronounced by giving the long sound to the first i in the word. They were nicknamed "New Lights," as were the Presbyterians in an early day in New England. The Disciples of Christ, a body of people organized nearly a quarter of a century later, were also called Christians in many sections and were nicknamed Campbellites after Alexander Campbell, their founder, to distinguish them from the first named. During the early part of the 19th century this movement gave promise of remarkable



Old stone church, second church erected in the village of Dublin,  
now occupied as a residence.

spread through the country; its largest growth in any one state, however, being in Ohio, where almost every movement was being experimented with.

The men who were associated in this free and independent religious undertaking were men of exceptional intellectual and spiritual vitality. Their platform was such that the utmost freedom was felt in their declaration of the truth as they gathered it from the Holy Book. They recognized no over-lords in religion; they hated intolerance and bigotry, and oppression

of every sort. They stood for the free course of the word. As before said they would accept no creed. The Bible was their rule of faith and practice. Every man had freedom to read and interpret as his mind could grasp the meaning. As a result of this liberal attitude they became the object of attack and persecution. The doors of other churches were closed against them. They preached in dwellings and barns and in the mild seasons of the year sought the groves, "God's first temples," and there the people heard them gladly and heeded in large numbers the calls that were marked with deep fervor and strange, remarkable eloquence. They were of the Wesley and Whitefield type, and stirred the multitudes in ways that produced peculiar results among the listeners. People were prostrate before them. That strange phenomenon known as the "jerks" was of frequent occurrence. Withal, the simplicity of their social and religious life would brook no irreverence and at no time did the people make light of these, at that time, unexplainable happenings.

Into the midst of conditions like this young Walter came with keen discernment and spiritual simplicity to perform his work of a Christian minister. The new movement caught him up and transplanted him into the soil of freedom of religious thought and expression. From that time he knew the liberty with which the Spirit makes free.

In 1824, when he was nineteen years of age, he was married to a most excellent woman, Lydia Anderson by name, and in 1825 at Charleston, Clark County, not far from the present city of Springfield, he was ordained to the Christian ministry by the laying on of hands of those who had preceded him in the priestly office. At this service Benjamin Brittain, Daniel Long, Abraham Aldrich, and George Zimmerman officiated. He had preached many times before this, but now began a ministry which was to continue twenty-five years, full of marvelous power. In 1826 he located in Dublin, Franklin County, and organized the Christian church of that village. Here also he taught school for a period, but soon relinquished that work to give his whole time to preaching; traveling on foot and horse-back over the counties of Clark, Champaign, Union, Delaware, Licking, Franklin, Ross and Fayette.

In June of 1827 he started on his first extended journey from home which was to be repeated many times in the next quarter of a century. On this journey he traveled through Pennsylvania, New Jersey and Maryland, preaching continuously all along the way. He was absent three months, taking no rest, riding the distance of more than 1,000 miles on horseback. On the 26th of November of this year he started on the second Eastern trip and traveled as far as Newark when his horse gave out and he had to return home. Early in December he once more left his home. In his account of this trip he speaks of passing through Columbus just as the Legislature was assembling. He mentions the splendor in which the members of the Legislature were living and how in contrast it seemed to the



VILLAGE OF DUBLIN.

On site chosen in 1812 for capital city of Ohio.

simple life of the circuit riders and yet, he says further: "I would not exchange station with any of them, nor even with a king on his throne". He returned from this second visit to the East in March, 1828, and proceeded immediately to meet his appointments in the counties of Franklin, Clark, Licking and others. In this year he writes: "We, as a body of people, are despised at the present time, in this priest ridden part of the world, nevertheless, I anticipate the day \* \* \* when malice, superstition and deceit shall be purged from the professed followers of the Lord Jesus, and love without dissimulation reign predominant. \* \* \* In many places in the West, bigotry and prejudice are exerting their unhallowed influence in promoting discord in the religious community; and in their train of

wickedness, they are fostered by those who cease not daily to declare that the Holy Scriptures are not sufficient to govern the people of God harmoniously." At the close of this writing he says: "I faintly see in the coming future, the banner of peace waving high in the air; its gentle vibration fan my soul; before and behind I see crowds of wearied pilgrims marching gently along; their countenances shining like the mild sunbeams of the vernal morn". How strange it seems that just 85 years after these words were uttered, in the same month of the year and almost on the very spot and in a building erected by the people who are the lineal descendants in flesh and religious faith of those who set forth the new idea, these Christians were joining themselves with the people of two other denominations in the village to form one church.

It will be interesting to again pause in the narrative to describe this event which shows the progress made in the church life of America in this period a little short of a century. Through all of these years three denominations had carried on their work in the village of Dublin, Ohio, and maintained three respectable church buildings. Three ministers served the people most of the time; three Sunday Schools were kept in motion, a small proportion of the people attending one or another, but most of the population indifferent to what was doing in any of them except to ridicule or condemn their unseemly rivalries and bickerings. Of course, there were times when the people would have refreshings and talk over the folly of the waste of it all and speak of a time when they might work together. One day in June, 1912, a cyclone visited the village and wrecked two of the church buildings, leaving the Christian, the most substantial of the three, standing. For a few months the people worshipped together in this church and as they sang together and prayed together and studied the Bible together the spirit of unity and friendliness grew apace, till one day they said we will be one. A great leader of men — Dr. Washington Gladden — was invited to tell them about the faith and practices of the Congregational Churches and they were convinced that it presented a basis on which they could unite. This they decided to do, and on March 4, 1913, the day Woodrow Wilson was inaugurated President of



the United States, these three churches, the Christian, the Methodist, and the Presbyterian, became one with a declaration of faith that would have entirely satisfied Isaac N. Walter could he have been on the scene to witness the happy union. Within six months the one united church had twice as many members as all three brought to it. And the spirit of good-will was in control. The prophecy of Walter had been fulfilled.

The period in which Rev. Walter was active was one in which it was thought theological ideas should be vigorously defended in the pulpit and elsewhere. There was scarcely a community that was not familiar with the debates carried on between



Congregational Church, Dublin, formed of Presbyterian, Methodist and Christian churches, October, 1912.

the champions of the various camps of believers. Doctrines such as the Trinity, Atonement, Baptism and others received attention in undue measure and controversy was the stock in trade of the ministry.

While Rev. Walter was of gentle, courteous disposition, indisposed to quarrel, he nevertheless felt it incumbent upon him to defend the faith, as he entertained it, against any and all who made light of it or were disposed to discount its reasonableness and truth. One of these occasions may be alluded to as representing the character of proceedings and typical of the numerous happenings that kept whole communities constantly on tiptoe.



In June of the year 1833 a Christian church was dedicated in Rockingham County, Virginia, and Walter preached the dedicatory sermon. In this sermon he touched upon the leading views of these "New Lights" as they were denominated. The Unity of God, Sonship of Jesus, the name Christian for his followers, the Bible as the one and only rule of faith and practice, and Christian character the test of fellowship. The sermon was strong and convincing, but as usual, excited criticism in the people who had been trained to see these matters in another light and so a Rev. Lyon, minister in the M. E. Church of Virginia, challenged Rev. Walter to debate. Lyon was a much older man and of wider experience, but he proved no match for the younger man, and as a result the community was influenced in the direction of the new enterprise.

As we look back to-day and try to discover any justification for such proceedings we are nonplussed. While the same differences exist, and perhaps always will, we find it impossible to quarrel very much about them. It may have been a part of the cycle of religious and social experience which is necessary to the larger and more permanent fellowship of life. Who knows? Whatever may have been its purpose and utility at that time we are satisfied that for our time it would be the climax of absurdity. A tolerant mood is the mood of our age and men find very little time to engage in splitting hairs over questions of casuistry.

This man, in the main, was bent upon a loftier task than that of merely defeating another man in argument. He took his mission more seriously.

In the year 1833 he received a call to become the pastor of the First Christian Church of New York City. Previous engagements extending to February, 1834, prevented his going to the new field until that time. During the intervening months he visited and held meetings in Philadelphia, Washington City, Baltimore, and many small places; some of them in country districts.

He took up the work of a pastor in the metropolis with much trepidation and many forebodings, but within three months he had imparted new hopes to his people so that a member of his

congregation writing to a friend in the West could say; "His success in so short a time has surpassed all our expectations. The congregations are increasing and will soon overrun the capacity of the church". In the following summer on a vacation trip he returned to his beloved Ohio and filled in his time visiting churches in Chatham, Utica, Hebron, Newark, Mt. Vernon, and Pleasant Grove. Returning to New York he was invited to preach in Philadelphia and in Wheeling, West Virginia. In the latter he spoke from the Court House steps to a multitude of people.

At the end of his first year's pastorate in New York a very glowing account of his success is given by the Public Press. Attention is called to one of his services on a Sunday evening when he spoke on "The Unity of God, the Sonship of Christ and the Holy Spirit" in opposition to the doctrine of the Trinity. The report says; "He began at 7 o'clock and closed his discourse at ten minutes past ten. One hour before the time the seats were filled and when he began preaching every aisle and every part of the house was densely crowded and hundreds had to go away, not being able to find standing room".

His sermons aroused the giants of orthodoxy all over the city and many replied and then came to hear what Walter would say subsequently. The excitement grew until the church in which he spoke was entirely insufficient to house the audiences. All of this time he kept up his pastoral duties, attended social meetings, gave weekly lectures in the vestry, kept in close touch with the Sunday School.

The nervous strain was great. Relief was secured by frequent trips out of the city. Journeys to Ohio were numerous. In April, 1835, he traveled from New York to Central Ohio to preach the funeral of Rev. Joseph Thomas, a minister who was known as the White Pilgrim because of his custom of wearing white garments the year round. At this time he visited Dublin where he had lived for six years and where he was to spend some of the last years of his life. He says of this visit: "I visited every house in the village and then repaired to the burying ground attached to the chapel to visit my mother's grave. When I entered the gate many sensations moved me. I walked

silently and softly along over the graves of others till I found the place that contained her body. I stopped and gazed on the sacred spot while nothing broke the silence of the hour save the sighing of the evening zephyr. And while standing there I called to mind the many times she had wept over the follies of my youth; the many godly admonitions I had received from her, as the spiritual fruits of a heart that prays to God for the salvation of a child, and in the midst of my thoughts, I kneeled by the head of the tomb, wet the cold earth with my tears, and prayed that 'my life might be as righteous; that my last days might be as his'."

After spending many days among the churches of Ohio, preaching and baptizing converts, he returned again to New York. Thus the years were spent, doing the work of a shepherd over a growing parish in the city and traveling to and fro among smaller churches in villages and country places wherever he was invited; occasionally being called to preach in Boston, Portland, Philadelphia, Baltimore, Wheeling and other cities. His life was one full of work, and hundreds of people were led to accept Christ under his eloquent and earnest efforts.

In February and March of 1839 a series of meetings in New York resulted in a great revival. Tammany Hall in that day had a bad reputation and it is not yet entirely free from such. It was a meeting place not only for scheming politicians, but also for those who scoffed at religion and made bitter attacks upon the Church and the Bible. One of the frequenters of the place addressed a letter to Walter during these meetings in which he said, among other things: "I have listened with intense interest to your preaching of the Gospel, which has produced in my mind pleasing and sublime contemplations. I have looked with admiration and surprise upon your respectable and attentive hearers and I feel constrained to say that I never witnessed before in any church such profound solemnity, such reverential awe, as was manifested by the people during the late session of your meetings." This Tammany letter-writer subscribed himself, "*Moral Philanthropist*".

The strain of the work began to tell on him and in May, 1840, he was compelled to relinquish it. His first thought was of

his home and friends in Ohio, and so toward the West he set his face but at Buffalo, in the home of Israel C. Ely, he was taken with chills and fever. It was not until mid-summer that he was able to leave Buffalo. In August he met with the Central Ohio Conference of Christian Churches and helped to plan for future activity, but it was painfully evident that he must desist from strenuous effort and take an extended rest. During some of this time he had his residence in Dublin where occasionally



Home erected by Isaac N. Walter in the village of Dublin, about 1840.

he would talk to the people without any attempt to give himself to vigorous pulpit effort. Kind friends ministered to him and his health began to return and with it an anxiety to be active in the field again.

He had become interested in the cause of education and temperance and the remaining fifteen years of his life were to find him writing and speaking as his health would allow in advancing these interests. On the 7th of March, 1841, he preached a ser-



mon in the Church of Dublin in which he gave an example of his thought and feeling touching the temperance reform. His words are strong, forceful and unmistakable. He says: "It is a cold time in religion here and no doubt one cause of so much indifference among the people is the establishment of a *death office* in our village, generally known as a groggery. Here the intoxicating poison is sold, and drunk by the poor unfortunates of our population. In this office men are prepared to fight, swear, gamble and abuse their families in the most shameful manner. I pray God the time will soon come when the public will frown these places of wretchedness and abomination from the land; for of all places they are to be dreaded most. If I were to attempt a description of them, I would say they are the grand mints in which the stamp and superscription of the old dragon are made in letters of burning fire on the heads and hearts of lost men and women. They are the forts of the devil; the mustering places of Satan's armies; the campaign country of Lucifer's allies; the pest-house of earth; the abode of blood. Over them the fallen angels flap their wings of death! Through them shrink the souls of the pit, whose grating teeth and glowing eyes horrify the virtuous spectator! The bursting fires of the nethermost hell light up the features of those unfortunate victims who inhabit these regions of despair! May the Lord enable his ministers to set their faces against the vice of intemperance. I have waged an eternal warfare with all makers and venders of ardent spirits and everything that can intoxicate. I am determined to have no compromise with ministers or laymen who use it unrighteously, till the demon is exterminated from the earth. This course, I know, will cause me to meet with opposition, but I do not care. I desire the world should know my views on this subject. And I am determined by the grace of God, that the broken hearted wife shall never hear from the drunken husband that, 'When your ministers leave off drinking then will I become a sober man'. I speak unto wise men; judge ye what I say".

On the evening of the 15th of that month he addressed the people of Hebron, twenty miles east of Columbus, on the sudden and unexpected death of William Henry Harrison, whose words are quoted at the beginning of this article. His health improv-



ing, he continued his journey into the East again, beginning formally his campaign in the causes above named, education and temperance.

It was apparent to him, as it is to all men at any time, that education is elementary in any movement that considers the welfare of mankind. He felt that any good cause must have wise, efficient advocacy and the more it had to do with liberating the mind and souls of men from fear and superstition, the greater the need of trained minds and hearts in the apostleship of that movement.

Some of the ministry were with him as he plead for a school of learning for the training of young men. Others were lukewarm and still others stood in forcible opposition. Obstacles like these must be thrust aside or trodden over. In all of this effort Walter stood foremost and advocated the forward step and formulated resolutions that were adopted in most of the Conferences over the country. This work brought feebleness again and the part he took in pushing the cause was taken from a sick bed and with the use of the pen writing letters and inditing arguments and resolutions. Arising from his bed he again pushes the conquests and visits churches both East and West. At this time the fame of the man had grown and multitudes gathered to hear his addresses on temperance and to give encouragement to the task of educational reform he had espoused. Neither was he neglecting the evangelistic note for which his preaching was marked and hundreds were brought to espouse the faith as he went from place to place.

Along with all this enthusiasm the matter of a religious newspaper was talked of and a project was set on foot for starting such an enterprise in the West. The outcome of this agitation resulted finally, in the establishment of a publishing house and the publishing of a paper known as the Gospel Herald. It was printed bi-weekly at New Carlisle, Ohio, Rev. Walter being its first editor. This was in 1843. In 1845 the place of publication was changed to Springfield, Ohio<sup>4</sup> and Isaac

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<sup>4</sup>Mr. Walter removed from New Carlisle to Springfield when the office of the paper was taken there; and that became his permanent home. The property is still occupied by a grand-daughter.

N. Walter was still retained as editor. The paper became a means by which he could convey his message to thousands where only a comparative few could get it from his eloquent lips. A few of the themes treated by the editor follow: "Prophetic Style", "The Misionary Cause", "Temperance", "Trials of the Ministry", "The Christian Martyrs of the First Century", "The Importance of an Educated Ministry", "War", "Slavery". Some of these utterances rank with the best things that were being said in that day and will stand the test of our own time as to matter and style of writing. He took advantage of his opportunity and privilege to make the editorial page speak clearly also on theological questions that were being debated by the clergy of the time and especially in defending the body of people, whose servant he was as editorial writer for their medium of church news and propaganda of doctrine.

In answer to an attack made by Rev. Cole, Editor of "Cross and Journal", a Baptist periodical in which the charge was made that the Christians were joined with the Unitarians in denying the divinity of Christ; he writes, "Brother Cole speaks as if it were an established fact that the Unitarians and Christians agree in denying the divinity of Christ. But it is for my brother to prove that either denomination denies that proposition. This he can not do. We probably deny his notion of Christ's divinity, but, should it appear that his idea is founded in an ignorance of the Messiah's true nature, which is altogether possible, then what does our difference from him import? Why, simply that we have been more fortunate in finding the truth than he. The Christians, as a people, admit the divinity of the nature, character, office, doctrine and fullness of Jesus Christ. They only deny that he is the supreme and unoriginated being called God. \* \* \* We deny the self-existent creator died on the cross. Surely no man can believe the ever-living and unchangeable Father died". In speaking of a charge brought against the Theological School conducted by the Unitarians at Meadville, Pennsylvania, he continues: "The brother does not seem to know that in this school there are no test questions of opinion. Freedom of thought is not crushed by authority. To send out slaves to a sect is not its purpose but rather to send out a class of men so enlightened as

to look through the narrowness of sectarianism and to preach and practice that universal truth which, to all men is the power of God unto salvation. Accordingly, the library of this institution is composed of the best works, not of one but of all denominations, among whom superior minds have grown up. Thus it has the gleamings of many constellations while the sunlight of revelation is first of all".

During his occupancy of the editorial sanctum he was on the road a great deal in response to calls to fill pulpits and make addresses in near and distant places, and when we think of the absence of convenient ways of travel that we enjoy now, we may imagine what it meant to move from one place to a distant place in the country.

The journeying to and fro that he accomplished seems astounding. On his fiftieth birthday, the year before he died, recalling the events of his thirty years' ministry he related that he had traveled a sufficient number of miles to girdle the earth a little over six times; he had crossed the Allegheny Mountains fifty times; preached eight thousand, two hundred and forty-three sermons; attended one thousand, eight hundred and twenty-nine funerals; baptized three thousand, three hundred and ninety-two converts; received eight thousand, nine hundred and seventy-one into church membership; prayed with one thousand, nine hundred and seven sick persons and married one thousand and fifty-two couples.<sup>5</sup>

He was truly a circuit rider with a record. He felt that the call to preach was louder than any other and so when these calls came, he was ready to heed them, nursing his strength all the time that he might be able to endure the demands on his already worn and tired body. In these journeys he would go to New York and Boston in attendance upon conventions and conferences and in these places he came in contact with men of great eminence; men who are known to this generation as lights in the sky of literature and of religious and scientific scholarship. He knew William E. Channing, James Freeman

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<sup>5</sup>The statement given above is taken from the carefully kept record mentioned in another note. It is in most beautiful handwriting, such as is rarely seen in our time.

Clark, Ezra Stiles Gannett and many others famous at that time and they all knew him to honor him.

In a notable address in which Thomas Chalmers of England and William E. Channing of New England are compared and contrasted he says of Channing: "To quicken frigid indifference into healthy life Channing nobly appeals to the consciousness possessed by every man of a capacity for high moral culture and for lofty spiritual progress."

"Peruse his piercing scrutiny of the character and conduct of Napoleon, the self-styled child of destiny. See how calmly the Christian philosopher divests the warrior genius of the false glitter which had dazzled the vision of infatuated multitudes, and presents the self-made monarch in his blood-red garments at the bar of outraged, insulted, suffering humanity, and bids him listen, with trembling awe, to the echoes of the voice of conscience; vindicating the violated law of love \* \* \*. On every page of Channing breathes the spirit of an earnest seeker after truth. Exploring the depths of the human soul, in quest of the pearl of virtue, and calmly removing the rubbish that obstructs his way until his eyes are greeted by the precious treasure which never fails to reward his search \* \* \*. He is a gentle poet, with classic grace and loving songs, winning men to worship at the shrine of virtue and of beauty; winning even the warrior himself from the love of contest to the love of truth."

Reading such utterances at this time when three quarters of a century have passed since they fell from the lips of the orator makes us pause and wonder whether these times in which we live are succeeding as well in producing the kind of men the world must have if she is to be redeemed from sordid materialism and ghoulish greed.

Isaac N. Walter had some of the vision of a seer and an imagination which could color thought-expression in such a way as to charm and captivate the auditor, while along with it all went such an Apollo like handsomeness of figure and such purity of character as to make of him a veritable human magnet. His appreciation of great men reacted and imprinted greatness on his own character. This he reflected wherever he went so that men could say of him as truly as he said of Channing

that he "allures by the infinite beauty of divine love causing the dark continents of vice to quail before what he styles the unspeakable grandeur of a human soul."

In the summer of 1847 he was constrained to relinquish the position of editor, although he continued to the time of his death to contribute liberally the products of his pen. He devoted himself from this time as his strength permitted to the work he loved above all other, that of a preacher and lecturer. Disease preyed upon him and made it impossible for him to heed but a small proportion of the calls that came. The character of the work done, however, lifted the standard of thought and conduct in the churches and communities throughout Ohio and surrounding states. The crowds who listened to him came to fix their attention upon the questions of missions, education, temperance and universal social welfare.

On the 27th of August, 1848, he preached to the prisoners in the Ohio Penitentiary. At that time there were four hundred and thirty-four confined within its walls, of whom eight were women. Four hundred were present to hear him together with the prison officers and a large number of visitors. He relates of this occasion, "Among the prisoners were gray haired fathers, middle-aged men and youth. During my discourse many appeared to be deeply affected. No doubt they thought of home, the associations of former days and the loved ones they had left behind; others appeared hardened and lost to all the feelings of humanity. As their hope of regaining character was gone they were indifferent to the subject of religion; although I have no doubt in many bosoms deep feelings of guilt were felt when they looked back upon the scenes of the past. I think upon the whole, that my visit to the penitentiary in Columbus will be attended with good."

In October of this same year he was present at a conference of churches in Raleigh, North Carolina, and delivered an address on temperance of which an editor of the city paper wrote: "It was our privilege last evening to listen to the Rev. Isaac N. Walter of Ohio deliver one of the rarest and at the same time most effective temperance addresses we have ever heard. The reverend gentleman was a perfect master of his subject and held



the large audience enchained for nearly two hours—at times melted to tears by the pathos with which he described human depravity and human misery; and then borne onward by his resistless eloquence and stirring appeals to their sympathy and their judgment, and anon entertained by his rich fund of anecdotes and naive and happy illustrations. Such a practical and matter-of-fact address so illustrated and enriched must tell, we think, with effective benefit wherever delivered when aided by the pleasing manner and graceful oratory of the author.”

The address here described was delivered before the Grand Division of the Sons of Temperance. On the following afternoon he delivered another address on the same subject standing at the corner of what was called Grog Alley and Market Street, known to be one of the worst locations of the city. His friends feared for his safety but he was fearless. A large audience assembled composed of the principal business men of the city to which were added all the grog sellers and their patrons. He mounted a store box and poured forth a torrent of argument that held the people in awe and sent them away thinking in a way they had never been used to.

His tour through the southland was full of this kind of activity and resulted in good to the people and to himself, although it drew upon his vital force and warned him that he must have a care.

In Raleigh he met Dorothy Dix, reformer, philanthropist and writer of juvenile books. Miss Dix was born in the same year as Walter but lived on thirty years after he had ended his work. He writes in his journal about her, “She appears before the legislative assembly with memorial in hand, praying for an appropriation of one hundred thousand dollars to erect an asylum for the insane \* \* \*. In the providence of God she is the voice of the maniac; the poor, crazed beings confined in cells and stalls, cages and waste rooms, in the poor houses of the state. She is the voice of revelation of hundreds of wailing, suffering creatures who are shut out from all healing influences and from all mind-restoring cures.”

On his return from the South in 1849 he filled appointments in Virginia and Maryland, stopping awhile in Baltimore, preach-

ing in the Unitarian church, presided over by Rev. ——— Burnap, a noted preacher of his time. He arrived home again on the 22nd of January, having been absent nearly a half year. He had scarcely arrived home till calls began to reach him from all directions. The people of the South began to urge him to come that way again and after spending a few weeks in Ohio he determines on another journey to the East and the South. In the meantime the year 1850 arrives, which proved to be the opening of the last six years of his useful and eventful life. On the first day of January, 1850, he writes in his journal as follows: "This day I enter upon another year. How rapidly time flies. It waits for no man and yet how thoughtless, how careless earth's thousands are with reference to its improvement. It will end the existence of many who count much on living long and accomplishing much appertaining to this life and this, perhaps, is my last year. I may not see it close. I trust that while I am permitted to stay I shall be of more service to my fellowmen than I have been heretofore."

In April he was at his home in Springfield but making ready for the more extended campaign. He visited the places over the central portion of Ohio where little groups of people had become associated in the propagation of the new doctrine. Mechanicsburg, Woodstock, Milford, West Jefferson, Granville, Hebron, Nelsonville. In the last named place he was very courteously treated by the Methodist minister and expresses his very cordial appreciation of the same, since it was a very unusual thing to extend courtesies of church fellowship at that time.

In all these towns mentioned and many others, he was encouraged to express himself as very strong in the belief that flourishing churches would grow up in these settlements. They began, but did not thrive and to-day not one of them has a Christian church. The failure of the Christians to become one of the strongest bodies in Ohio is doubtless the result of bad management. Larger towns, with the exception of a very few were neglected entirely and when a church came to be erected in a village it was usually placed on the outskirts or a half-mile in the country. Then there was no efficient pastoring. It was not an unusual thing for a church to have

two preachers at the same time, alternating their services two weeks or a month apart, neither remaining on the ground except over Sunday or, when a special revival was on, they would both be present. Sometimes these meetings would continue over a period of two or three or, at the greatest, four weeks; one would preach and the other would exhort. But such work can never build up a strong, virile organization of any kind and so the denomination failed to grow strong in point of membership and was never stronger than it was at the first blush of the new flower of religious liberty. The people heard great preaching but few of these preachers were wise and proficient leaders and organizers of men.

On this trip East and South he visited the city of Washington and spent awhile in the Houses of Congress and speaks in his *Journal* of the absence of senatorial dignity with the men who had been sent there to make laws and to represent the various sections of a great country. He says: "The House was a scene of confusion and disorder and but little more than one-third of the members were present. It is painful to witness how the glory has departed from our National Legislature." How much these words sound like strictures that are made even at the present. During this sojourn the interest in education was growing among the people whom he addressed from day to day.

Graham Institute had been established in the South and all that it needed, as he said, was the loyal support of the people whose children were to make the citizenship of the future. The school is still in existence but with little more strength than marked it in the beginning.

This sojourn was also distinguished by the great assemblies of people who came to hear him as he passed from place to place. These assemblies were reckoned up in the thousands. The story of his pilgrimage is not unlike the narrative of the journeys of St. Paul and the early Apostles. His absence from home on this itinerary covered a period of more than a year. He speaks of it as one of the most interesting campaigns of his life.

In 1851 the church in New York invited him to take pastoral charge once more and after earnest solicitation he yielded and left Ohio to take up the work in October of that year, leaving his family in the Ohio home for the time. The church had gone through many and varied experiences since he had served them before. Some of these were beneficial and some were not. A new and more commodious structure had been erected for carrying on the work of the church. For the short time that he remained as shepherd of the flock, he gave himself as a true pastor and in letters to his wife speaks of the poor and wretched that he ministers to and how he suffers with them as he goes in and out among them. He also mentions other and contrasting phases of life found in the parish. Referring to the customs of the so-called refined or fashionable society, he says: "Things, with reference to custom in the social circle, are different in some respects to what they were during my former residence here. Then it was customary to spend the afternoon with a friend, take tea at the usual hour and return home at nine o'clock. But now the custom is, when we are invited to a social party, to go at eight or nine o'clock and remain until two or three in the morning. Now to all this, with all the nonsense connected, I enter my solemn protest. I will not submit to it, for I must consult my health and the laws of nature which are the laws of God and are never to be infringed by the customs of society. This way of visiting and eating late suppers is directly opposed to the laws of physical, mental and moral health and therefore opposed to the best interest of community life." He inveighs further against these extravagances but the words quoted are sufficient to show the attitude of his mind to such things.

In this sojourn with the people of New York he again breaks out in his characteristic way in bitter hostility to the rum traffic. He made himself familiar with the justice courts, or Tombs. Here he possessed himself of facts that filled him with indignation. The year's record showed commitments to the number of 21,747, of which 19,700 had been the result of intemperance and the remaining 2,000 were children of drunken parents who, thrown upon the world without guardian or protector, had com-

mitted depredations for which they had been arrested and put in prison. In an address given at this time he says: "The halls of justice are in sight of the City Hall where the Board of Aldermen meet to counsel and to attend to the municipal regulation of the city and to grant licenses to men to keep drinking slaughter-houses which are the means of sending 19,000 drunkards to the Tombs in a single year and the whole cost of crime growing directly or indirectly from the traffic is \$750,000 per annum; while the revenue brought into the municipal treasury from these houses of death is about \$45,000." He proceeds with an unanswerable argument in support of the law then, and still, in operation in the state of Maine. "I hope every state in the nation will agitate this question until the legislators will have to pass similar laws putting down the rum power all over the country. There is a fearful responsibility somewhere. Who are responsible and to what extent? We admit that the inebriate, who brings disaster upon himself by his own voluntary act is deeply responsible, but are there no others to be held accountable? In every case, where effects are not half so direful, the civil law and the moral law also, holds those responsible who in any way are aiders or abettors and punishes them as *particeps criminis*. \* \* \*

"If you place poison in a spring, where persons are accustomed to drink and drinking thereof they die, you are held guilty of murder by law. If a man by deception, induces another to take arsenic or prussic acid by which death results, he is just as responsible as though he had secretly mixed the deadly draught. What difference is there in the sight of all righteous principles, between poisoning by prussic acid and by alcohol? Yet in one case the law condemns and punishes while in the other it legalizes and sanctions. The liquor dealer claims to act under license granted by the City Council. But who made the City Council? The people — yes, the *people*. There is where the chief responsibility lies. The people must be burdened with the responsibility of electing the right kind of men to office. The sentiments of the masses must be cast in the right mould; the standard of feeling and action on this, as on all other questions of moral reform, must be elevated in the public mind, and



there is where the true reformer and philanthropist must direct his labors."

I mentioned before that the last fifteen years of his life, though given to the church as editor and evangelist, were given also to his country and the world in strong and efficient service in advocacy of temperance and educational constructiveness. During that period the *Christians* were planning for an institution of learning in the west that would be to the western country what Harvard and Yale had been to the east. It was an ambitious undertaking and was begun with sun-lit vision and most commendable zeal. Isaac N. Walter was one of the factors in that movement and lived to see it gloriously launched and watched it through four years of brilliant promise. But fate was to declare against it in time and while the piles of brick stand in mute architectural splendor, its glory is but a memory.

When Antioch College was founded at Yellow Springs, Ohio, in 1850 and opened its doors to students in 1853, there was no institution of learning in Ohio, save Ohio University at Athens and Miami at Oxford, that gave better promise of success and both of these were state institutions. Ohio was nearly fifty years old; Miami as a university, was about twenty-five; Western Reserve, then located at Hudson, Ohio, about twenty-five; Marietta fifteen; Oberlin Institute, seventeen, becoming a college in 1850. Ohio Wesleyan, sixteen, the Female Institute was inaugurated 1853, Granville Literary and Theological Institute had been in existence nineteen years, becoming a college in 1856, the year of Walter's death, Hiram, the school of the Disciples, starting the same year as Antioch as an academy and becoming a college twenty years later, in 1870, the same year that the Ohio State University at Columbus had its beginning.

The loftiest ideals were entertained by the founders of Antioch. No finer or brainier company of men could be found anywhere than were back of the launching of this "Harvard of the West." So bright did the future appear that the Honorable Horace Mann, successor of John Quincy Adams in the Lower House of Congress at Washington and nominee of the Free Soil Party for Governor of Massachusetts, by far the fore-

most educator of his time and the peer of the greatest in any time, was drawn from a career that promised everything politically, to become the first president and to give the last seven years of his precious life in service to the institution. Here for the first time in history, no limitations were placed upon students. Color, sex, nor previous condition of servitude created any bar to entrance or graduation on the same platform. The curriculum was as exacting as in any institution east or west.



Antioch College, Yellow Springs.

Walter had helped to fight the battles that ended in the establishment of this institution and on the day of Horace Mann's induction into the office of president, October 5, 1853, he made the address for the board of trustees and placed the keys of the college in the hands of the great educator, to be held by him until, exhausted in the summer of 1859, he passed from earth, Walter having preceded him to the grave three years. The words quoted below are probably a part of the address that he gave at that time:

"Education, — few words are of greater import, for, in the broadest sense all men, under all skies, are fashioned by education. It embraces the entire system of influences which accounts for the various forms of opinion, sentiment and character which, in great variety, are spread on the canvas of history and on the face of society. It is not merely that education shapes the common mind, but it gives form and activity to every mind whether common or extraordinary. To us education stands on the universal ground of human development. \* \* \* Man is greater than any public calling or mere worldly interest for which reason he should be educated beyond the bounds of his vocation. The fact that he is a man, a citizen, and we might add, an immortal intelligence, is ample reason for this. \* \* \* We would that every person were rightly and nobly educated; then would every one be knowing, virtuous, and religious.

"The fact that our Republic has no pillars but the popular will; that all the governmental influences of the nation are from the nation's mind; and the fact that ignorance, and consequently crime, is imported *en masse* to our shores, must render this subject peculiarly important to the American people." These words show the trend of his thought on this important subject.

Among papers discovered there are journal entries and letters referring to Antioch College, sufficient to fill a long chapter. It is to be regretted that the people among whom he and other men of great intellectual mould spent their lives, and for whose prosperity they gave their fine talents, should have been so unmindful of the laws that govern in all departments of social existence. Antioch College is a mournful example of what has taken place all over the land with the denomination that launched her. The Christians faced a marvelous opportunity but let it slip. The world in which they sprang up as in a day, moved too rapidly for them and before they were aware the tidal wave of progress had gone out to sea and left them stranded on a barren shore. Walter's work was done while the tide was in. He died before the wave receded. But while he lived he wrought a valiant task and it is due to the fact of the unbusiness like methods and illogical position taken religiously, on the part of

the people he tried to lead into higher paths, that his name is not known over a wide area.

He was far in advance of the people whose cause he expounded as was true of Horace Mann. Words that he spoke then are replete with significance in our own time, and will have to be heeded before right relations shall prevail among the nations of the world or among the people of any single nation. His words on slavery were not harsh words as against the people who suffered it and prospered by it in the South, nevertheless he abhorred it and opposed it with might. But he appreciated the side of the South-land as well as that of the North. Could he have foreseen the war that was to break over his beloved country within four years after his death, his words would have been stronger than they were.

His horror of war found utterance many times. Among these utterances is the following extract from an address delivered doubtless at the time of the Mexican War:

"War is foolish. It settles no difficulties; it determines but little except the comparative brute force of the parties. It costs by far more than it comes to, in treasure, life, character and everything. When all the slaughter is finished, the parties are in *statu quo*, excepting the waste of men, money and morals, and the questions in dispute have to be settled by negotiations. \* \* \* War is cruel. It is wholesale butchery. One battlefield calmly surveyed with its severed limbs, its streaming blood, parching thirst and dying agonies, were enough one would think, to wake the voice of the civilized world against it. But go from the scene of strife to the thousand anxious homes of the men who are dying on the field. See the widowed mother, orphan children, wretched friends, then tell us if war is not cruel as the pit. War is wicked. It engenders and fosters all the baser passions of the soul. It shuts up the channels of kindly feelings for our fellowmen. It blunts every sensibility and weakens every virtuous principle. It involves wrong-doing toward men and rebellion toward God." How sensitive we of to-day are to the deep truth of the foregoing!

As the last lines of this sketch are being written in the month



of March, 1915, the writer is reminded that just sixty years have passed since Isaac N. Walter started from his Ohio home to Terre Haute and Sullivan, Indiana. The distance from Terre Haute to Sullivan is ten miles. The roads were well-nigh impassable and the weather was extremely disagreeable. The journey was made on horseback. A chilling March northwester, pierced to the very bone and blew steadily in the face of the traveller. The already worn and enfeebled constitution could not endure the exposure. Here the seeds were sown that culminated in his death. He lingered on through the year and till July of the next year but never was well again. During the year he would attempt to preach but it was painful.

He took up his residence at the Sanitarium in Yellow Springs where he received treatment, visiting Cincinnati to consult with leading physicians there and to enjoy the gentle companionship of Rev. A. A. Livermore, D. D., a great Unitarian divine, author of a commentary and afterward President of the Theological Seminary at Meadville, Pennsylvania.

During the months of 1856 he seemed to improve some and preached twice in Cincinnati but that was his last effort of that kind. On June 30th, of this year he started for New York, saying to his family that he felt better than he had for many weeks. There was no thought but that he would return in due time but it was not to be so. He arrived in Columbus at 10 A. M. and spent the day assisting his oldest son in his plans for engaging in business in the city. At eight o'clock he retired to his room to write to his wife. While at his task he felt a tickling sensation in his throat causing him to cough. Immediately his mouth filled with blood and he barely had time and strength to call a boy who hurried for a physician. Dr. Robert Thompson was at his side during the night. In the morning two severe hemorrhages in quick succession brought to a close this great and good career. He was a member of the Masonic fraternity and this order assisted in the burial in Green Lawn Cemetery, at that time miles from the city. There the body of this brave pioneer preacher has been lying for sixty years and the stone obelisk that marks his grave has been passed by thousands,



unmindful that the dust of a real hero and prophet of God lies so near the beaten path.

Since he was buried Columbus has grown from a population of twenty thousand to one of more than ten times that number and Green Lawn, the city of the dead, has spread to a vast area compared with what it was then, so that instead of being far in the country, the city of the dead and the city of the living touch each other:

At his going a loving friend wrote:

"Ah! Well may Zion's Watchmen weep,  
The tower he kept who now may keep,  
So faithfully, so well?  
With zealous eye and ready tongue,  
He saw and warned of coming wrong,  
And sought all foes to quell.

Teacher alike of age and youth,  
Firm champion in the cause of truth,  
Lover of all his race;  
How many hearts will throb with pain  
When his death knell and funeral strain  
Shall reach their dwelling place.

'Known by the noblest and the best,  
From North to South, in East and West,  
And loved wherever known.  
Grief like the ocean's heaving surge  
Shall sway the soul, as swells the dirge,  
That speaks the loved one gone.

For northern hills have given him fame,  
And southern groves have blessed his name,  
An instrument of good.  
He made the eastern shores rejoice,  
And western wilds have hailed the voice  
That waked the solitude.

"He lives, as live the truths he taught,  
Not yet their full fruition wrought;  
Eternity alone.  
Life's varied page shall all unroll,  
Revealing many a ransomed soul,  
Bright stars in Walter's crown."

## FIRST CATHOLIC CHURCH IN OHIO.

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[The question is often asked, When did the Catholic Church first make a permanent settlement in Ohio? We have diligently sought the desired information. From Hon. W. B. Archer, member of the Senate of the 81st General Assembly, we recently received the following communication, which seems to settle the question of the first Ohio Catholic Church. — EDITOR.]

In compliance with your request I give a brief statement of what is known as the "East Fork Settlement" in what is now Noble County, Ohio, the location of the first Ohio Catholic Church.

I do not think that I could introduce this subject better, than to quote a passage from a letter written many years ago, by one of the immediate descendants of one of the first pioneer families.

"About the year 1803 or 1804 a colony of five families, named Archer, Enochs, Crow, Forshire and Morris, in Marshall County, Virginia (now West Virginia), crossed the Ohio river and made their way westward through dense forests, till they reached the East Fork of Duck Creek, in what is now Noble County. This settlement was known as the 'Archer settlement', now the present site of East Union". \* \* \* James Archer (the older of the Archers) married a Miss Lincicome in Virginia — he was a Roman Catholic, the remaining families of the colony were Protestants."

James Archer came to Virginia from Ireland, some time prior to the year 1800. He brought with him his three daughters (his wife having died prior to this). A short time after he settled in Virginia (on the waters of Wheeling Creek) his two oldest daughters were killed by Indians and the third (Jane by name) was thought to be, and was scalped. She, however, recovered and lived to bring up a family.

Archer married again and there were born to him of this marriage, six sons and four daughters. They were quite grown

when with their parents, they came to the new settlement in Ohio—some of the sons being already married.

From the best information at hand this settlement was made in the year 1803.

From the time of their arrival, the Archers maintained religious worship after the rule of the Catholic church (as they were devout Catholics). Their little church society has been kept up ever since and in the period from 1803 to the present, they have erected three church buildings—the first a mere log cabin, then later a small brick, now a very commodious and tastily built frame building of modern design.

This church society has had an unbroken existence from then to the present and we claim for it, that it is the *oldest* Catholic church society in Ohio. In the early years of the last century a Priest came over from Virginia to help along with the church work of this little band of struggling Catholics and he taught school during his stay (for a short period in the winter season for several winters).

The Archers because of their religious belief were an isolated set, and largely lived to themselves, till about the year 1825, when dissension arose in their ranks and three of the sons (Jacob, James 2nd, and Joseph) severed their connection from the church of their fathers. It was in this wise—Nancy, one of the daughters had married one Elisha Enochs, one of the Protestant settlers and a young man of great force of character—the leader of the Protestants and a local Methodist minister. Enochs and his Protestant neighbors of the settlement had built a log church building for worship and he did the preaching. He was eloquent and a spell binder for those days and his good wife (Nancy) had persuaded three of her brothers to attend a religious revival held and being conducted by her husband who was in all matters outside of religion a prime favorite with the Archers.

These three sons became Protestants and remained so, as did their descendants ever since, while the other three and their descendants have remained true to their original faith.

The descendants of James Archer 1st are legion, and have occupied almost every walk of life, and many have been suc-

cessful in their chosen vocation in life, yet the old pioneer occupies an unmarked grave in a remote country graveyard.

The head of the Enochs family was Enoch the first, better known as Captain Enochs.

In the early days in Marshall County, Virginia, or thereabout, a militia company was organized to protect the early settlers from attacks of Indians — two names were proposed for Captain, that of Enoch Enochs 1st, and Simon Girty, but Enochs was elected. This so enraged and soured Girty that he deserted his white people and retreated to the savage camp. The brutalities and barbarities of Girty and his savage bands are too well known to repeat here.

In a battle on the Ohio side with Indians Captian Enochs was wounded and left in the woods as dead, but afterwards recovered and wandered back to the settlements.

He was an old man when he came across with the settlers to the new settlement in Ohio. His grave is unknown and of course unmarked. Many men of prominence are descended from him. In the last years of his life he resided with his son, Elisha.

Elisha Enochs was the grandfather of Gen. William H. Enochs (a general in the Union army and who represented the Athens district in congress for a number of years) and his son, Henry Enochs, was the first white child born in what is now Noble County. One day when Nancy, his mother, was working in the field nearby, a bear came along and gently picked little Henry from his sugar trough and carried him a distance into the forest and buried him snugly in the leaves of a huge fallen tree, when she went after her cubs. When Nancy Enochs returned to find Henry "absent without leave" she repaired to the forest. His screams soon directed the way and nimble legs soon carried her to the spot and as soon returned the baby to the cabin. She well knew that bruin would soon return, so almost intuitively she pulled down the old flint-lock, and pushing it through a crack in the wall near the door dispatched the brute when she returned.

Out of mere joke the neighbors started a report that when Nancy began to fortify the cabin and prepare a heroic defense,

that Uncle Lish (as he was called) retreated to the loft. This somewhat enraged the back woods "preacher" and he swore a great oath that he would deliberately kill a full-grown bear on sight before a week, and he did. In a day or two Bill Marsh's big pet bear wandered into the yard for a friendly visit, and Lish shot him, only to find to his chagrin that he had killed his neighbor's bear, for on the collar around his neck was the name "Marsh".

Elisha Enochs cleared the first field and built the first claim in what is now Noble County. This field was under cultivation from the time it was cleared for over one hundred years, which is an indication of the richness and fertility of the soil along this beautiful and picturesque valley of the East Fork of Duck Creek.

This valley was discovered to the Wheeling Creek settlers by Martin Crow and Lewis Wetzel who passed through here in locating settlers farther down toward the Marietta Country.

To more minutely describe, the "East Fork" is the eastern branch of Duck Creek running almost north and south along the eastern border of Noble county, coming into the main branch of Duck Creek near Salem in Washington County, twelve miles north of the city of Marietta and having its head at Whigville in Noble County. The "settlement" extended from Crumtown on the south to East Union on the north. The soil is exceptionally rich and fertile abounding in springs and ripples of sparkling purity—studded (in those days of course) with a dense forest of massive oak, poplar, walnut, sugar and sycamore, and beneath whose sombre depths a thick growth of underbrush and vines of every description which almost defied the advent of the settler.

These five families were neighbors on Wheeling Creek in Virginia as well as in Ohio. The Crow family (of whom Jacob was the head) were all murdered by the Indians in Virginia except Martin, Frederick and Christina—the last three named being part of the Ohio colony.

For years Martin Crow was the friend and associate of the noted Lewis Wetzel and many were the redskins who fell before the unerring aim of these pioneer free-booters.



At the death of Martin's people he with Wetzel had taken to the woods and had resolved to kill every Indian they came across — and they were true to their word. Even when peacefully settled on the "East Fork" any wandering Indians who happened to pass that way ran the gauntlet of their hate (however it must be understood Wetzel never made any permanent home and remained a wanderer long after the last Indian had been removed beyond their reach).

George Crow (son of Martin Crow) became a Colonel in the Confederate army and served with distinction. Hon. Albert Maywood Morris of this city, a lawyer and a politician of wide reputation, is a direct descendant from James Archer, Enoch Enochs and Isaac Morris as was also the writer.

The above has been written as the stories of these events have drifted into the mind of the writer and are necessarily disjointed and illy connected, but we have aimed to give the facts as we have gathered them from our ancestors and as we believed them to be true.

This church organization has always been known as "Saint Michael's", and it is hoped that it will be conceded what is justly due it, — that it is the oldest Catholic Society in Ohio.

The settlement was made in Washington County — afterwards detached and placed in Monroe in 1814, and included in Noble from 1852.

Respectfully,

M. B. ARCHER.

## EDITORIALANA.

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APRIL, 1915.

*E. O. Randall*

### RECENT DONATIONS TO THE LIBRARY AND MUSEUM.

Doctor Edward C. Mills, Columbus, Ohio, presented to the library a number of volumes pertaining to Ethnology.

Mr. D. H. Gard presented to the library his private library consisting upwards of 3,000 volumes on Americana. This library will be cared for in a separate alcove known as the Gard Alcove.

The heirs of the late General Roeliff Brinkerhoff, President Emeritus of the Society, presented, to the Library, a large collection of books pertaining to the War of the Rebellion and Bibliography.

Mr. J. C. Braeckline of Kansas City, Missouri, was a recent visitor at the Museum. Mr. Braeckline has one of the largest collections of archaeological specimens in the United States.

Mr. B. C. Kelsey, formerly of Columbus, has placed in the Museum his large collection of central Ohio specimens. The collection contains many interesting types.

The Museum has obtained the collection of Mr. F. J. Moley, Olmsted Falls, Ohio, which illustrates the archaeology of the Iroquoian culture of northern Ohio. The collection was made in western Cuyahoga county, and contains interesting pipes, ceremonials and flints.

Mr. John Seip, Chillicothe, Ohio, one of the earliest archaeological collectors in Ross county was a visitor at the Museum recently. Mr. Seip has presented his very valuable collection to the Museum, made during many years of collecting in Ross county.

Mr. D. H. Gard, of Columbus, presented a small collection of interesting specimens, which were washed out of a mound opposite Ad-dison, Gallia county, during the great floods a quarter of a century ago. These include some fine bone implements.

The cabinet of the late Henry Richter, of Columbus, was presented to the Museum by his sons, Walter W. and Harry E. Richter. Besides numerous historical and war relics, old arms and weapons, the collection contains numerous good archaeological specimens from the vicinity of Columbus.

Dr. Arthur Keith, of London, England, accompanied by Dr. T. Wingate Todd, of Cleveland, spent an entire day (March 28) in inspecting the Museum and collections. Dr. Keith is professor in the Royal College of Surgeons, London, and president of the Royal Anthropological

Institute of Great Britain. He is one of the world's best known anthropologists, and a leading authority and writer on archaeology.

A large copper nugget, weighing over 10 pounds, and showing numerous marks of stone or copper implements, where smaller pieces had been detached, was presented to the Museum by Judge Daniel Babst, of Crestline, Ohio. The specimen is most interesting from a museum standpoint, in that it shows the raw material, just as it was carried into Ohio from the copper region, and how it was worked. The specimen was found on Judge Babst's farm near Crestline.

The collection of the late Dr. Isaac N. Smith of Westerville, has been presented to the Museum by Mrs. Smith and her son, Mr. Paul Smith. It contains one of the finest ceremonial bannerstones known, the specimen being made from beautiful variegated and translucent calcite. A very fine pipe in the form of a wolf's head, another pipe, decorated with incised lines, and a number of fine flint and stone pieces, ceremonials, etc., comprise the collection.

The Museum is much gratified by the interest taken in a collection of prehistoric specimens of the old Chiriquian culture, Panama, placed in the Society's keeping by Mr. J. W. Lawrence, of Delaware, Ohio. Mr. Lawrence spent upwards of 20 years in Panama, during which time he assiduously collected the material shown. The collection consists of several varieties of ancient pottery ware, curiously fashioned and decorated; a number of flute-like musical instruments, of pottery ware; pottery figures of a female image, supposed to represent a goddess, and used in religious ceremonies; large metates for grinding grain, made from tufa, in the image of the jaguar; implements of stone, obsidian and copper; and ornaments made from gold.

Mr. Alva Kendall Overturf, Columbus, presented to the Museum a collection of historical and archaeological specimens, which is unusual in its character. Among the historical objects is the great calumet or peace pipe, used by General Anthony Wayne and the Indians in effecting the treaty of Greenville; the spurs of General Wayne worn by him in his Ohio campaign; an old compass used by Captain Kendall and later by Governor Lucas, in surveys of the Virginia military lands in southern Ohio and other relics. In the archaeological section there is a very unique effigy pipe, representing a wolf, a ceremonial pendant of cannel coal and flint and stone specimens.

The largest single acquisition to the museum is the collection of Mr. William L. Knox, of Youngstown. This is one of the oldest collections in Ohio and contains some of the choicest specimens extant. Among other things are several very large and fine flint spears, daggers and knives, ranging up to 10 inches in length. Many rare ceremonial pieces, including decorated and carved gorgets, bannerstones, rare effigy pipes of the Iroquoian culture, the rare flinted type of celt, the so-called spineback ceremonials, and fine stone and flint pieces are included in the

collection. A very large and unique celt, of Williamstite, is one of the finest of its kind found in Ohio. A new type of stone relic, made of granite, cylindrical, about 4 inches long and  $2\frac{1}{2}$  inches in diameter, with a groove near each end, is one of the novelties of this collection, four specimens being shown.

An important addition to the Museum collections is the material taken from the so-called Hilltop mound, which stood in the city of Portsmouth. The material includes a unique implement made from a curved deer horn, with a large beaver incisor set into and thru it, at right angles to the horn. Another unusual specimen from this mound is a fine celt of translucent jade, highly polished and symmetrical. The specimen is of good size, and is one of a very few objects of this material found in Ohio. Another celt of jade was recently obtained, having been found near Dayton. Besides the above mentioned objects, the Hilltop mound find includes a very fine platform pipe of limestone; a cache of flint blades, several bone implements, and other objects. The specimens were secured for the Museum from Mr. Paul Esselborn, of Portsmouth, who obtained them at the time of the opening of the mound.

One of the most valuable of recent additions to the Museum is the collection of Mr. Clinton Cockerell of Ross county. This collection which was made in the Paint Creek valley, is large and fine, containing many specimens unique in character. Among the numerous fine flint specimens, is a notched spear point of pink flint, 10 inches in length, one of the finest found in Ross county. From the same locality comes a tiny notched arrow-point of quartz crystal, barely a half inch long. Other interesting specimens are: A rare birdstone of bird effigy, of the short squat type, made of granite and with unusually protruding eyes; several finely made boat-shape ceremonials, deeply concaved; a fine example of the rare spool-shaped objects, incised decoration; a ceremonial tube of banded slate, having a supplementary perforation near each end, at right angles to the main perforation; a very large lizard-shaped ceremonial, etc.

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#### ORIGIN OF THE NAME, YANKEE.

Asbury, an author who did not respect the Americans, being an officer in General Burgoyne's army, and among the captives surrendered at Saratoga, has the following paragraph upon this word:

"The lower class of these *Yankees*—apropos, it may not be amiss here just to observe to you the etymology of this term: it is derived from a Cherokee word, *eankke*, which signifies coward and slave. This epithet of yankee was bestowed upon the inhabitants of New England by the Virginians, for not assisting them in the war with the Cherokees, and they have always been held in derision by it. But the name has been more prevalent since (1775) the commencement of hostilities; the soldiery at Boston used it as a term of reproach; but after the affair

at Bunker's Hill, the Americans gloried in it. *Yankee-doodle* is now their pean, a favorite of favorites, played in their army, esteemed as warlike as the grenadier's march—it is the lover's spell, the nurse's lullaby. After our rapid successes, we held the yankees in great contempt; but it was not a little mortifying to hear them play this tune, when their army marched down to our surrender."

But Mr. *Heckewelder* thinks that the Indians, in endeavoring to pronounce the name, *English*, could get that sound no nearer than these letters give it, yengees. This was perhaps the true origin of *Yankee*. Drake. (*American Pioneer*.)

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## MASTERS OF MEN.

### A RETROSPECT IN PRESIDENTIAL POLITICS.

This is a political review treating of familiar men and events in our national politics and especially interesting on account of its relation to Ohio. The author's gift of portraying graphically, and coloring picturesquely, the facts of history, adds to the interest and value of the work, and is sustained throughout. The reader is given pen portraits and characteristic criticisms of great National figures. The discussions of the eminent dramatis personae in the presidential politics of the early eighties are compelling and attractive. In those days there were intellectual giants in public life. Here we have a powerful perspective of John Sherman and James G. Blaine written evidently from a personal sidelight. Famous Ohioans who figured in the political campaigns of 1880 and 1884—McKinley, Hanna, Foraker, Garfield and Judge West—are all portrayed as only one who knew them can describe. The Independent Republican movement against Blaine headed by Carl Schurz and George William Curtis is treated with faithful yet caustic criticism.

To this generation that has forgotten many of the interesting and graphic situations of the past, the work will be an addition to its political and historical knowledge. For the student of political life in this country it will prove a valuable aid in the studying of public affairs. The author of the work is Daniel J. Ryan, Vice President of The Ohio Archaeological and Historical Society and a trustee for the past twenty-five years.

The author discusses his political topics with frank, characteristic criticisms, and the reader gets Mr. Ryan's views of a number of the intellectual and political giants and pigmies of campaigns gone by. There are seven essays: Ohio in National Politics; John Sherman, Statesman; Preparing for a Contest; "In Chicago in the Heat of June"; The Victory of the "Plumed Knight"; The Independent Republican Movement, and Blaine in Ohio.

"Masters of Men," by Daniel J. Ryan; McClelland & Co., Columbus; 75 cents net.



# A HISTORY OF BANKING AND CURRENCY IN OHIO BEFORE THE CIVIL WAR.

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## PREFACE.

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In the following pages on the development of banking and currency in Ohio from 1803 to 1863 an attempt has been made to point out also some of the relations of those subjects to the general economic and political history of the state.

The monograph had its origin several years ago in the seminary in business organization of Professor Jeremiah W. Jenks while the writer was a graduate student in Cornell University, and to Professor Jenks he is indebted for many helpful suggestions and discussions in planning and prosecuting the work in its early stages. To Dr. Charles H. Hull, Professor of American History, Cornell University, and to Dr. Frank A. Fetter of Princeton University, formerly Professor of Political Economy and Finance, Cornell University, the author also owes a debt of gratitude. Both of these gentlemen read much of the manuscript and their careful criticisms proved of great value throughout the study.

What began as an investigation of the development of business organization in Ohio prior to 1863 soon resolved itself into a study of banks and banking, for during that period banks were the largest and the most numerous representatives of the corporate form of business organization in the state. They were the pioneers in big business in Ohio. It has seemed proper to treat the subject in two parts: first, because authorized banking almost ceased in Ohio between 1843 and 1845, as may readily be seen from the diagram in the appendix; second, because the basis of note issue, the chief function of a bank in those days, was entirely different in Ohio before from what it was after the dates unamed; and finally, because at that time the practice of incorporating banks by special acts of the legislature gave way to the method of organizing them under general laws.

In carrying on this study the Ohio state documents and the early newspapers and local histories of the state have been the most important sources of material and this fact delayed the completion of the work for some years until the writer's return to Ohio where alone much of this material was accessible. In making available the many state publications and files of old newspapers, which had to be gone through without the help of an index, great assistance has been rendered by the staffs of the Cornell and Ohio State University Libraries and the Library of Congress, Washington, D. C., the Dayton Public Library, Dayton, Ohio, and the Ohio State Library, Columbus, Ohio.

Others to whom the writer wishes to acknowledge obligation are, Professor Davis R. Dewey of the Massachusetts Institute of Technology, for assistance in the collection of material and approval of the completed monograph as a part of the Carnegie Institution's work on the economic history of the United States, and Mr. E. O. Randall, Secretary of the Ohio State Archaeological and Historical Society, for his kindness in reading the manuscript and his active interest in furthering its publication. Last, but not least, there is the debt which the writer owes to his wife, for encouragement and assistance in the various stages of the work.

C. C. HUNTINGTON.

Ohio State University,  
August 24, 1915.

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## GEOGRAPHY AND EARLY HISTORY OF OHIO,

**Boundaries and Drainage.** — The State of Ohio has an area of 41,240 square miles.\* Its longest east and west measurement is 225 miles, and its longest north and south measurement 210 miles. Extending from the Ohio River to Lake Erie the state lies partly in the drainage basin of the Mississippi River and partly in that of the St. Lawrence, about one-fourth of the state draining into Lake Erie and the rest into the Ohio. The principal rivers of the state which flow into the Ohio are, naming them from east to west, the Mahoning, the Muskingum, the Hocking, the Scioto, the Little Miami, and the Great Miami, while the Grand, the Cuyahoga, the Sandusky, and the Maumee rivers flow into Lake Erie. Nearly three-fourths of the northern boundary of Ohio is formed by Lake Erie, its southern shore line in Ohio being 220 miles in extent. All of the southern and more than half of the eastern boundaries of the state are formed by the Ohio, which flows for more than 436 miles along the borders of the state.

These waterways have been very important factors in the history of Ohio, — influencing the movements of the early explorers, and guiding the fur traders and frontiersmen that followed them; deciding the location of the early settlements, and determining the distribution of later population; facilitating the marketing of surplus products; supplying water power for mills and factories; and affording means of communication between different parts of the state, as well as with other parts of the country.

**La Salle and the French Fur Traders.** — As early as 1669 the Frenchman, Joliet, traversed Lake Erie from west to east,<sup>1</sup> while the next year LaSalle is said to have crossed the region south of the lake, possibly by way of the Cuyahoga and Mus-

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\*Ohio Topographical Survey, 1910, p. 55.

<sup>1</sup>Cartier to Frontenac — Justin Winsor, p. 218.

kingum portage route, and to have found the Ohio.<sup>2</sup> Thus what is now Ohio became part of the great domain of France in America. It is said that at the mouth of the Cuyahoga the French held a conference with the Five Nations as early as 1684.<sup>3</sup> Soon after that the French traders were pushing along the south shore of Lake Erie and up the valleys of the Sandusky and the Maumee on their way to the Wabash. No permanent establishment, however, was made in or near Ohio during the remainder of that century. In 1701 Cadillac established Detroit as a strategic point from which to control the fur trade, and the Maumee, the Sandusky, and the territory down to the Ohio became dependencies of this center.<sup>4</sup>

**English Trade Rivalry.**—At this time the adventurous traders of the English were already crossing the Alleghanies from the seaboard colonies and fixing their huts along the Ohio.<sup>5</sup> By 1725 English traders from Carolina were trading with the Miamis on the Wabash,<sup>6</sup> and English trade rivalry among the tribes of both the Ohio and the Lakes soon became a serious matter with the French officials and merchants.<sup>7</sup> The trade war between the English and the French for the West continued during the entire 18th century. They first struggled for the possession of strategic points on the Wabash. This was the incentive which induced the French to found Vincennes about 1735.<sup>8</sup> Next came another battle for the Ohio country. Probably as early as 1730 English traders from Pennsylvania were making their way across middle or southern Ohio.<sup>9</sup> From that time until the middle of the century the contest was narrowed

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<sup>2</sup> La Salle and the Discovery of the Great West—Francis Parkman, p. 22. See also *Discovery of America*—John Fiske, Vol. II., p. 532.

<sup>3</sup> The Ohio Valley in Colonial Days—Berthold Fernow, p. 40.

<sup>4</sup> Cooley's Michigan, pp. 16, 18 and 19.

<sup>5</sup> Cartier to Frontenac—Justin Winsor, p. 364.

<sup>6</sup> Ohio—Rufus King, pp. 49-51.

<sup>7</sup> France in America—Reuben Thwaites, p. 91.

<sup>8</sup> The Wabash Trade Route—Benton, p. 29; Also Bancroft's *History of the United States*, Vol. II., p. 225; *The Mississippi Basin*—Winsor, p. 149; and *France in America*—Reuben Thwaites, p. 93.

<sup>9</sup> Ohio—Rufus King, pp. 53, 57. Also *The Mississippi Basin*—Winsor, p. 149.

to the region south of Lake Erie.<sup>10</sup> In 1745 English traders were at Sandusky erecting houses, perhaps the first English structures in Ohio.<sup>11</sup> In 1748 an English alliance with the Miami effectually established English trade on the Wabash, and the packmen of Pennsylvania and Virginia pushed boldly into the Ohio Valley, establishing their most advanced post that year at Pickawillany on the Great Miami River.<sup>12</sup> It was estimated that during a single season at this time some 300 English traders were leading their packhorses and dragging their batteaux over the mountain passes into the Ohio Valley.<sup>13</sup>

**The Inevitable Conflict.** — The French looked with great alarm upon this intrusion of English packmen into Ohio, which not only threatened their fur trade in that region, but endangered the communications between Louisiana and Canada.<sup>14</sup> In 1748 the commandant at Detroit received instructions to be wary and, though peace ostensibly existed, to use force if necessary to prevent the English getting a lodgment in the Ohio country.<sup>15</sup> The following year Céleron de Bienville was sent with a strong force down the Alleghany and Ohio rivers to take formal possession by burying leaden plates at the mouths of the chief streams, and to drive out English traders. He found traces of English packmen everywhere, and though he arrested four, his report was very discouraging. It was then that the Governor of Quebec asked for 10,000 French peasants to settle the region before the English should do so.<sup>16</sup>

The English colonies were already looking upon the Ohio Valley as an important outlet to their growing population. In 1749 the Ohio Company was chartered for trading and colonizing purposes west of the mountains, and the next year it sent Christopher Gist to explore the Ohio region. He met many

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<sup>10</sup> The Wabash Trade Route — Benton, p. 30.

<sup>11</sup> The Mississippi Basin — Winsor, p. 248.

<sup>12</sup> Ibid, pp. 243 and 249.

<sup>13</sup> Ibid, p. 249. Also Montcalm and Wolfe — Parkman, Vol. I. p. 43.

<sup>14</sup> Narrative and Critical History of America — Justin Winsor, Vol. V., p. 12.

<sup>15</sup> The Mississippi Basin — Winsor, p. 249.

<sup>16</sup> France in America — Thwaites, p. 151.

Scotch-Irish traders who were operating in what is now Ohio, and his favorable report greatly stimulated English interest in the West. At once daring Virginia settlers began moving over the mountains.<sup>17</sup> It was evident that a collision between the French and the English could not be postponed much longer. In fact the inevitable conflict was at hand, and there was on both sides a belief that whoever should be left in possession of the Lakes and the Ohio at the close of the war about to begin would control the continent.<sup>18</sup> Indeed the Old Northwest, as Professor Hinsdale says, was "the occasion of the final struggle for dominion between France and England in North America."<sup>19</sup>

**Pontiac's Conspiracy.**— Upon the outbreak of the Old French and Indian War in 1754, practically all the English traders and pioneers beyond the mountains withdrew to the older settlements. Probably not a British trader or settler remained west of the Alleghanies.<sup>20</sup> But after the treaty of Paris in 1763, which closed the war and transferred Canada and the great central valley east of the Mississippi to England, the westward movement of the English began again with renewed energy. Not only traders but settlers also at once began pushing over the mountains into the Ohio Valley, although a proclamation of the king in 1763 had forbidden the English colonists to attempt to occupy the region west of the mountains, which was made crown lands to be given over to the uses of the Indians.<sup>21</sup>

This movement was suddenly checked, however, by the Indians themselves in the Conspiracy of Pontiac, when that Ottawa chieftain, finding the Indians fiercely resenting the intrusion of settlers upon their lands,<sup>22</sup> succeeded in organizing the tribes of the Lake Region into the most formidable Indian movement in American history.<sup>23</sup> For more than a year terror reigned supreme along the whole English frontier, and it was only with

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<sup>17</sup> France in America — Thwaites, pp. 152-4.

<sup>18</sup> The Mississippi Basin — Winsor, p. 336.

<sup>19</sup> The Old Northwest — B. A. Hinsdale, p. V.

<sup>20</sup> France in America — Thwaites, pp. 165 and 181.

<sup>21</sup> The Western Movement — Winsor, p. 2.

<sup>22</sup> The Conspiracy of Pontiac — Parkman, Vol. I., pp. 175 and 176.

<sup>23</sup> Formation of the Union — A. B. Hart, p. 40.

the greatest difficulty that Pontiac was beaten. Finally, however, after winning the bloody battle of Bushy Run in August, 1764, Col. Henry Bouquet pushed across the Ohio and penetrated the wilderness as far as the Muskingum River. Here in October, 1764, he succeeded in making a treaty with the Indians, and again the English traders, hunters, and settlers began to enter the Ohio country, for at that time no region in North America had the reputation of being so inviting as the Ohio Valley.<sup>24</sup>

**The Quebec Bill.**—To prevent the fur trade of the Northwest from slipping away to the French and Spanish the English home government desired to placate the Indians, and therefore endeavored to restrain the settlers from crossing the Ohio.<sup>25</sup> This program, however, was little heeded by the hundreds of English colonists who were already entering the Ohio Valley, and many of whom crossed to the northern side of the river; neither did it meet with the approval of the Colonies themselves, several of which claimed various portions of the northwest. In 1774, largely as a means of extinguishing all claims of Connecticut, Massachusetts, and Virginia to this region Parliament passed the Quebec Bill, which annexed to Quebec the whole territory between the Ohio and Mississippi Rivers and the Great Lakes.<sup>26</sup> But just as the Royal Proclamation of 1763 failed to prevent the settlers from crossing the mountains and only served to anger the Colonies; so the Quebec Bill not only failed to keep settlers from crossing the Ohio, but was seized upon as one of the grievances justifying the Revolution.<sup>27</sup>

**The Moravians and the Squatters.**—As early as 1772 Zeisberger and his Moravians had crossed the Ohio, pushed into the interior, and laid the foundation of a white settlement in the valley of the Tuscarawas, one of the branches of the Muskingum.<sup>28</sup> And before the Revolution many pioneer settlements

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<sup>24</sup> The Western Movement—Winsor, p. 12.

<sup>25</sup> Ibid, pp. 23 and 25.

<sup>26</sup> Formation of the Union—Hart, p. 60.

<sup>27</sup> Formation of the Union—Hart, p. 60. Also The Old Northwest—Hinsdale, p. 147. The Western Movement—Winsor, p. 2.

<sup>28</sup> The Western Movement—Winsor, p. 56. Also King's Ohio, p. 126.



had been made on the northern side of the Ohio as far down as the mouth of the Muskingum. In 1776 Col. Patterson reported several of these so-called "tomahawk" improvements below the Hocking, and two years later they had already extended for thirty miles up the Muskingum.<sup>29</sup> These people were the subject of frequent complaints by the Indians, who were determined to preserve their hunting grounds; and Congress in September 1783 issued a proclamation against unauthorized appropriations of the Indian lands; but in vain, there continued a steady flow of settlers across the Ohio, giving the Indians good reason to suspect the Americans of a design to encroach upon their tribal lands.<sup>30</sup>

**Permanent Settlement.** — After the close of the Revolution the fame of the lands along the Ohio spread rapidly and companies began to be formed for the purpose of planting colonies there. In January 1785, at the treaty of Fort McIntosh the Indian title to a large part of the land between Lake Erie and the Ohio river was extinguished,<sup>31</sup> and in June 1787 Congress passed the famous Ordinance of 1787 providing for the government of the Northwest Territory.<sup>32</sup> A few months later, in October 1787, the Ohio Company, composed largely of people from Massachusetts, contracted for the purchase of about 1,500,000 acres along the Ohio between the Scioto and Muskingum rivers, and early the following spring they made what is known as the first permanent settlement in Ohio, when, on the seventh of April, 1788, they founded Marietta at the mouth of the Muskingum.<sup>33</sup> In October of the same year a company composed chiefly of New Jersey people contracted for a large tract of land between the mouths of the Miamis and in November 1788 they founded a town, called Columbia, at the mouth of the Little Miami. A month later, about five miles below this point, a town was started on the Ohio river just opposite the mouth of the

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<sup>29</sup> King's Ohio, pp. 191-2.

<sup>30</sup> The Western Movement — Winsor, pp. 243-5.

<sup>31</sup> Historical Collections of Ohio — Henry Howe, Vol. I., p. 36.

<sup>32</sup> Formation of the Union — Hart, p. 108.

<sup>33</sup> Howe's Historical Collections of Ohio, Vol. I., pp. 37 and 131. The Western Movement — Winsor, pp. 296 and 298.

Licking. This later came to be known as Cincinnati,<sup>34</sup> and was destined soon to distance its early rivals in growth of population and commercial importance. It was not until after the treaty of Greenville in 1795, however, that Cincinnati made much growth.<sup>35</sup>

**The Treaty of Greenville.** — As the settlements north of the Ohio increased in number and population the Indians became more and more uneasy. Hostile bands were soon hovering about the Muskingum and Miami settlements, and before long open warfare broke out. In 1790 an expedition from Cincinnati led by General Harmar resulted in failure, and the following year Gov. St. Clair's strong force, which proceeded against the Indians on the Maumee, was totally defeated. Indian outrages of all kinds increased until immigration north of the Ohio almost ceased. Finally, however, in 1794 an army under Gen. Anthony Wayne inflicted a severe defeat upon the Indians at the rapids of the Maumee after which Wayne burned many of their villages, laid waste their cornfields for miles, and erected Fort Defiance in the heart of their country.<sup>36</sup> This brought the Indians to terms, and at Greenville in 1795 eleven of the most powerful tribes of the Northwest made a treaty with Gen. Wayne, which confirmed the boundary line fixed at the treaty of Fort McIntosh. This opened all of Ohio to white settlement except the northwestern part.

**Admission to Statehood.** — During the next few years following the treaty of Greenville in 1795 a wave of settlers began to pour into the territory. Population, hitherto confined chiefly to the vicinity of the Ohio, began to diverge from Marietta on the one hand and Cincinnati on the other, towards the height of land between the Ohio and Lake Erie. Naturally the river valleys were the first to become populous. Soon permanent settlers were occupying the valleys of the Muskingum, the Hocking, the Scioto, and the Miamis, and a range of towns across the country north of the early settlements marked the progress of

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<sup>34</sup> Howe's Historical Collections of Ohio, Vol. I, pp. 38 and 747. The Western Movement — Winsor, p. 315.

<sup>35</sup> King's Ohio, p. 215.

<sup>36</sup> Howe's Historical Collections of Ohio, Vol. I., p. 40.

population.<sup>37</sup> In the Miami Valley, Hamilton was laid out in 1794, Dayton in 1796, and Springfield in 1801. On the Scioto, Chillicothe was laid out in 1796, and the next year Franklinton, where Columbus now stands. Athens on the Hocking was settled in 1797 and Lancaster in 1800. While in the Muskingum Valley, Zanesville was begun in 1799 and Coshocton in 1802.<sup>38</sup> Meanwhile Cleveland had been founded on Lake Erie at the mouth of the Cuyahoga in 1796,<sup>39</sup> and Steubenville on the upper Ohio in 1798.<sup>40</sup> Thus the great outlines of the future state so rapidly filled with inhabitants that on April 30, 1802 Congress passed an act enabling the portion of the Northwest Territory between Lake Erie and the Ohio River to form a state.<sup>41</sup> A convention assembled at Chillicothe in November 1802 and adopted a Constitution,<sup>42</sup> and an act of Congress approved April 15, 1803 recognized the State of Ohio.<sup>43</sup>

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<sup>37</sup> King's Ohio, p. 264.

<sup>38</sup> Howe's Historical Collections of Ohio, Vol. I., pp. 342, 396, 466 and 589; Vol. II., pp. 274 and 492.

<sup>39</sup> The Western Movement — Winsor, pp. 502-4.

<sup>40</sup> Howe's Hist. Coll. of Ohio, Vol. I., p. 964.

<sup>41</sup> Charters and Constitutions — Ben Perley Poore, Vol. II., p. 1453.

<sup>42</sup> Ibid, p. 1455.

<sup>43</sup> Ibid, p. 1464.

PART I. BANKING IN OHIO UNDER  
SPECIAL CHARTERS. 1803-1843.

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NOTE ISSUE BASED ON GENERAL ASSETS.

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## CHAPTER I.

### THE ANTE-INFLATION PERIOD. 1803-1814.

**Economic Conditions.** — During the period preceding the War of 1812 the people of Ohio were occupied literally in getting out of the woods. Dense forests separated the different settlements, delaying the social and economic fusion of the population. The barrier of the Alleghanies cut them off from the markets of the Atlantic States except for live stock, which could be driven over the mountains on foot. Consequently the occupations of the people were mainly pastoral or agricultural. Yet the very barriers which made it hard to dispose of surplus products and difficult and costly to import merchandise, etc., served to hasten home manufacturers. The towns on the Ohio and its tributaries had the advantages of river communication with each other as well as with Pittsburg, Louisville, and New Orleans, and it was in these centers that manufacture and commerce first developed in Ohio. Here also naturally the first banks operated in the state were organized. It is noteworthy that of the eight authorized banks organized in Ohio during this period all were located in towns situated either on the Ohio or its tributaries.

**Early Manufacturing.** — In the early development of manufacturing in Ohio the natural resources of the state were of great advantage. The hard woods of the forests were utilized from the beginning. Desks, tables, and other furniture were being manufactured in Cincinnati as early as 1800, and a few years later plow-making became an important industry there.<sup>1</sup> Before steam navigation began on the Ohio in 1811, Marietta was quite a ship building point, sending to sea, it is said, before the War of 1812, seven ships, eleven brigs, six schooners, and two gun boats.<sup>2</sup>

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<sup>1</sup> Ohio Manufactures — 12th Census Bulletin 154, pp. 10 and 11.

<sup>2</sup> King's Ohio, p. 308.

In 1804 the first furnace for the manufacture of iron in Ohio was established in the Mahoning Valley.<sup>3</sup> And in 1805 a paper mill was built on Little Beaver Creek in the eastern part of the state.<sup>4</sup>

Zanesville, with its falls giving water power, soon developed manufacturing.<sup>5</sup> The abundance of clay suitable for making coarse pottery and the difficulty of obtaining such products from the Atlantic Coast region early led the farmers of the Muskingum region to begin the manufacture of pottery from the clay on their farms to supply the settlements west of the Alleghanies. These products were sent down the Muskingum to markets on the Ohio River and even to New Orleans.<sup>6</sup>

Every year at the opening freshets, large quantities of flour, bacon, pork, whiskey and the fruits of the country adjacent to the streams were taken in flat boats to New Orleans and the intermediate markets. The starting of these fleets every year was a spectacle of great interest at the towns on the Muskingum, the Scioto, and the Miami.<sup>7</sup>

Besides the towns mentioned above, Steubenville, Lancaster, Chillicothe, and Dayton were important towns for manufactures in those days. In 1810 the manufactures of the state were estimated to amount to nearly \$2,000,000,<sup>8</sup> but they were chiefly in the southern part of the state. The northwest was still Indian country, while the northeast in general did not acquire much commercial importance until the opening of the Erie Canal and the beginning of the Ohio Canal in 1825, although Warren and Youngstown both on the Mahoning River, early became important towns from their proximity to Pittsburg and their location on the trade route from there to Detroit.

**The Miami Country.**—The most populous and flourishing part of the state at that time was at the southwest, in the broad and fertile expanse of the Miami Valley. With this im-

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<sup>3</sup> Ohio Manufactures — 12th Census Bulletin 154, p. 7.

<sup>4</sup> Ibid, p. 11.

<sup>5</sup> King's Ohio, p. 339.

<sup>6</sup> Location of Industries — 12th Census Bulletin 244, p. 18.

<sup>7</sup> King's Ohio, p. 307.

<sup>8</sup> Valley of the Mississippi — Timothy Flint, p. 406.

mense agricultural back country and its advantageous location on the Ohio River apposite the mouth of the Licking River, Cincinnati easily gained an ascendancy which made it the leading city in the West for many years.

In 1790 the population of the Miami Country was not over 2,000. In 1800 it was about 15,000. In 1810 the single county of Hamilton contained 15,258, and the Miami Country about 70,000, or one-fourth of the whole population of the state. By 1815 this had increased to about 100,000.<sup>9</sup> In this important region agriculture and stock raising advanced rapidly. The fertile soil produced immense crops of wheat and corn, and scores of grist mills turned the wheat into flour. The corn was utilized largely in feeding hogs, though many distilleries flourished throughout the region, where the farmers turned their surplus corn into whiskey. Much of this whiskey and flour, together with the pork, bacon, and lard prepared on the farms in winter, found its way to Cincinnati, there to be shipped by the Ohio and Mississippi rivers to New Orleans. As early as 1803 whiskey, beef and pork, and lumber and staves were shipped from Cincinnati to New Orleans by water.<sup>10</sup> It was in connection with this river traffic of Cincinnati that the first bank in Ohio was organized.

**The Miami Exporting Company.**—The enterprising citizens of the Miami Country were quick to recognize the advantages of association under state authority in the transaction of business. Almost as soon as the State of Ohio was admitted into the Union, Martin Baum, a prominent Cincinnati merchant,<sup>11</sup> with several of his business associates, organized a com-

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<sup>9</sup> Picture of Cincinnati (1815) — Drake, p. 169.

<sup>10</sup> Ohio Manufactures — 12th Census Bulletin, No. 154, pp. 8 and 9. The distillation of liquors in Ohio has always been greatest at Cincinnati, where it is favored by the large corn production of Ohio, Kentucky, and Indiana. In 1810, however, distilleries were reported in every one of the 36 counties of the state, producing in all 1,212,266 gallons of whiskey. — 12th Census Bulletin, No. 154, p. 8.

<sup>11</sup> The Inquisitor and Cincinnati Advertiser, Oct. 19, 1819. Martin Baum, of high German parentage, early became active in manufacture and trade in Cincinnati and was most influential in attracting German immigration to that city.

pany to facilitate trade, and applied to the Legislature for a charter. As a result the State Legislature at its first session incorporated The Miami Exporting Company on April 15, 1803.<sup>12</sup> The original object of this company was the exportation of agricultural produce, chiefly to New Orleans,<sup>13</sup> and banking, if purposed at all, was a secondary consideration.<sup>14</sup> Its charter, however, permitted the issue of notes payable to bearer and assignable by delivery only; and the company, which began business operation in 1804, was soon exercising the powers of banking.<sup>15</sup> It issued bills and redeemed them, not in specie, but in the notes of other banks.<sup>16</sup> Thus the Miami Exporting Company became the first bank in Ohio, and perhaps the second west of the Alleghanies.

The first paper-issuing institution west of the mountains, the Lexington Insurance Company incorporated in 1802, is said to have obtained banking privileges surreptitiously. And Gouge in his history of early banking in the United States suggests that, as the title of the Miami Exporting Company indicates that it was established ostensibly for commercial purposes of another nature, perhaps banking privileges were obtained for it surreptitiously, as in the case of the Lexington Insurance Company the year before.<sup>17</sup> Be this as it may, the Miami Exporting Company almost from the first did a banking business, opening an office in Cincinnati for that express purpose. In fact on March 1, 1807 the bank went into full operation, all commercial projects having previously been relinquished.<sup>18</sup>

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<sup>12</sup> Laws of Ohio, Vol. I. (1803), pp. 126-136.

<sup>13</sup> A Picture of Cincinnati—Daniel Drake (1815), p. 150.

<sup>14</sup> Banking and Resources of Ohio—Thomas H. Wilson. (In World's Congress of Bankers and Financiers), p. 533.

<sup>15</sup> Laws of Ohio, Vol. I. (1803), p. 135, Sec. 16. Report of Judiciary Committee, Jan. 7, 1837, on the resolution of inquiry into the authority by which the Miami Exporting Company exercised the powers of a banking corporation.—Ohio H. R. Jour. 1837, pp. 188-195.

<sup>16</sup> History of Banking—J. J. Knox, p. 668.

<sup>17</sup> A Short History of Paper Money and Banking in the United States—Wm. Gouge (Cobbett's Ed.), p. 88.

<sup>18</sup> Picture of Cincinnati in 1815—Drake, p. 150.

The charter of the Miami Exporting Company was granted for a period of forty years, and provided for a board of eleven directors, who were to be chosen annually and one of whom was to be elected president. The authorized capital stock of the company was fixed at \$500,000, divided into shares of \$100 each, payable \$5 in cash at the time of subscribing, and \$45 in produce and manufactures such as the president and directors would receive during the first year, and the remaining \$50 in produce and manufactures from July to March of the following year. The stockholders were to give notice in writing at the Company's office on or before the first day of September following, what kind of produce and manufactures and the probable amount thereof they would deliver, but the president and directors were to designate the times and places of delivery.<sup>19</sup>

Not all of the authorized capital was ever paid in. Gouge gives the capital of this company as \$200,000,<sup>20</sup> and this agrees with the amount stated in the list of Ohio banks organized before 1812 published in the first issue of the Bankers' Magazine.<sup>21</sup> In 1811, however, the directors authorized the sale of a large number of additional shares of the capital stock of the company, and November 28 of that year they issued a notice offering these to purchasers with the privilege of taking them either at \$102, to be paid at the time of subscribing, or at \$104, to be paid one-fourth at the time of subscribing, one-fourth in six months, one-fourth in twelve months, and the remaining one-fourth when required by the board, the subscribers, however, to have at least thirty days' notice.<sup>22</sup> And Daniel Drake, writing in 1815, says that the capital consisted of \$450,000 paid in by 190 persons, the number of stockholders at that time.<sup>23</sup>

It is probable, however, that not all of this \$450,000 was ever actually paid in cash. It was a common practice among

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<sup>19</sup> Banking and Resources of Ohio — Wilson, p. 534. Report of the U. S. Comptroller of the Currency, 1876, p. XXV. History of Banking in the U. S. — H. F. Baker (In Bank M.11 :165 Sept. '56)

<sup>20</sup> A Short History of Paper Money and Banking — Wm. Gouge (Cobbett's Edition), p. 88.

<sup>21</sup> Bankers' Magazine, Vol. I., p. 119.

<sup>22</sup> The Ohio Centinel, Dayton, Ohio, Jan. 9, 1812.

<sup>23</sup> Picture of Cincinnati (1815) — Drake, p. 150.



banks of the period following the War of 1812 to accept what were known as stock notes in payment of subscriptions for stock; that is, after making the first payment or two in cash, the subscriber would be permitted to pay the remainder of his subscription with his own note, which would later be redeemed, if at all, with dividends received from the bank.<sup>24</sup> It is likely that a considerable portion of the Miami Exporting Company's \$450,000 capital stock was paid in that way, especially the later issues of that stock. A published balance sheet of the company under date of May 11, 1821 gives the amount of money paid by the stockholders on their shares as \$379,178.<sup>25</sup>

The Miami Exporting Company continued in the undisturbed employment of its banking powers without question until 1822, when it became unable to progress with its business. From that time until 1834 it engaged in no business but such as was required for adjusting and closing its debts and credits and maintaining its corporate organization. In 1834, however, it was resuscitated, and provision was made for the payment of its stock, the liquidation of its debts, and the redemption of its outstanding notes.<sup>26</sup> It then recommenced the business of banking, but was finally compelled to wind up its affairs before the termination of its charter in 1843.<sup>27</sup>

**The Bank of Marietta.**—While the Miami Exporting Company was the first to exercise the powers of banking in Ohio, and continued to do a banking business for many years, yet, as we have seen, it was not originally chartered as a bank, properly speaking. The first *regular* bank incorporated in Ohio was established at Marietta. It is not known just when it began business, but its application for a charter in February 1808 indicates that it was already an existing association.<sup>28</sup> A charter was

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<sup>24</sup> Report of Sec'y of Treas. Wm. H. Crawford, Feb. 12, 1820.

<sup>25</sup> Liberty Hall and Cincinnati Gazette, May 12, 1821. Gallatin in 1831 listed, among the banks which had failed since 1811, the Miami Exporting Company with a capital stock of \$468,966. See p. 132.

<sup>26</sup> Ohio House Journal, 1837, pp. 189-191.

<sup>27</sup> The Miami Exporting Company failed Jan. 10, 1842—Knox's History of Banking, p. 676.

<sup>28</sup> A History of Banking in all the Leading Nations, Vol. I., p. 59.

granted to the Bank of Marietta on February 10, 1808.<sup>29</sup> The main provisions of the law incorporating this bank were the following:

1. Charter to continue until 1818.
2. Capital stock not to exceed 5,000 shares of \$100 each.
3. Directors seven in number, to be elected annually by the stockholders voting in person or by proxy in proportion to number of shares held. Directors must be stockholders and residents of the county. Vacancies to be filled by election by remaining directors.
4. General meeting of the stockholders at the call of the directors, but six weeks' notice must be given in some newspaper.
5. Stock transferable on the books of the company if holder's debts to the bank be paid first.
6. Bank bills obligatory and of credit assignable by endorsement.
7. Power to hold real estate for convenient transaction of its business; also bona fide mortgages and property conveyed for a debt.
8. Trading in merchandise forbidden.
9. Debts must not exceed three times its capital stock.
10. Interest allowed on loans not over 6%.
11. State could subscribe up to one-fifth of the capital stock.

It will be noticed from the above that while a limit was fixed to the amount of capital stock that could be issued, restrictions placed on the transfer of that stock and on the holding of real estate, and limitations specified as to debts contracted and interest rates charged, yet no restriction appears as to note issue and no provision as to note redemption. The evils of unrestricted note issue had not yet become apparent to the Ohio Legislature.

**The Bank of Chillicothe.**—On Feb. 18, 1808, a week after incorporating the Bank of Marietta, the State Legislature chartered the Bank of Chillicothe with a capital of \$100,000.<sup>30</sup>

<sup>29</sup> Laws of Ohio, Vol. VI. (1808), p. 41.

<sup>30</sup> Laws of Ohio, Vol. VI., p. 83. This capital stock could be increased to \$500,000 by a two-thirds vote of the stockholders.

This bank was located at the town of Chillicothe and the provisions of its charter were much the same as those of the Bank of Marietta, except that the shares of capital stock were payable one-tenth when subscribed and one-tenth at the end of each calendar month thereafter until all were paid, and that no person, firm, or company could hold over forty shares, nor subscribe for more than five shares in one day.<sup>31</sup>

Another clause of the charter provided that the bank should not emit notes payable in bills of credit of the state of Ohio. Here we see an early attempt of the legislature to regulate to some extent the redemption of the notes issued by the bank. In those days specie was a scarce article in Ohio, and the State Treasury was at times in an embarrassed situation for funds to meet the incidental expenses of the state government. Sometime before this an act had been passed by the legislature requiring the auditor of the state to issue bills of specific amounts payable at the treasury with interest. These had assisted in upholding the credit of the state and created a kind of circulating medium which in some degree supplied the place of specie.<sup>32</sup> Apparently the banks were taking advantage of these bills to use instead of specie in redeeming their notes.

**The Bank of Steubenville.**—Attention has already been called to the influence exerted by river valleys in determining the location of Ohio's early population and the growth of its early trade centers. And it will be noticed that of the three banks already mentioned, the first was in the Miami Valley, the second at the mouth of the Muskingum, and the third on the Scioto, the three principal tributaries of the Ohio in the state. The fourth bank chartered in the state was established at Steubenville on the upper course of the Ohio River itself.

The Bank of Steubenville was chartered by the State Legislature on February 15, 1809 with an authorized capital stock of \$100,000.<sup>33</sup> The number of directors was fixed at nine, but they

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<sup>31</sup> The number of directors was increased from seven to nine by an act of the legislature on Dec. 31, 1808—*Laws of Ohio*, Vol. VII., p. 68.

<sup>32</sup> Auditor's Report, Dec. 4, 1811—*Laws of Ohio*, Vol. X. (1812). Also Auditor's Report of Dec. 9, 1812, p. 4.

<sup>33</sup> *Laws of Ohio*, Vol. VII. (1809), p. 169.

were allowed no pay unless it was allowed by a general meeting of the stockholders. Stockholders were allowed one vote for each share under ten, one for each two shares above ten up to fifty, one for every five shares above fifty and up to one hundred, and one vote for every ten shares held over one hundred. Stockholders resident in the United States were allowed to vote by proxy. After the first election, shares had to be held three months before the owner could vote. This charter contained a provision allowing the State to acquire stock in the bank, and provided that when the State should own shares equal in number to one-tenth of the whole it should have the privilege of appointing two of the directors. If the State should own less than one-tenth of the shares, however, it was to have proxy to vote as the other stockholders.

**Other Banks Chartered.**—After the Bank of Steubenville in 1809 no more banks were chartered in Ohio until 1812. In 1811, however, the charter of the United States Bank expired and Congress refused to recharter it. This left the field free for State banks, and they were not slow to take advantage of the opportunity.<sup>34</sup> From January 1, 1811 to the close of 1814 the number of banks in the United States increased from 88 to 208, and their capital stock from \$42,610,601 to \$82,259,590, making an addition of nearly \$30,000,000, to the banking capital of the country.<sup>35</sup>

In Ohio this movement became apparent at once. Several unauthorized banks were established within the state during 1811, and, as we have already seen, the Miami Exporting Company issued a large additional amount of capital stock, which was eagerly taken by the public, though it was offered only at a premium.<sup>36</sup> Early in 1812 two more banks were chartered by the Ohio Legislature. A third was incorporated in 1813, and

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<sup>34</sup> Financial History of the United States—Davis R. Dewey, p. 144. Banks, Banking and Paper Currencies—Hildreth, p. 64.

<sup>35</sup> Report of U. S. Comptroller of the Currency, 1876, p. XXXV.

Elliot's Funding System, p. 984—House Exec. Doc. No. 15, 1st Session 28th Congress. Considerations on the Banking and Currency System of the United States—Albert Gallatin (1831), pp. 42 and 44.

<sup>36</sup> See page 259.

another in 1814. Thus from 1811 to 1814 the number of incorporated banks in Ohio doubled. During the same period their capital stock increased from \$895,000 to \$1,435,819.<sup>37</sup>

The names of the new banks chartered in Ohio from 1812 to 1814, together with their location, authorized capital stock, and dates of charter are shown in the following:

<i>Name.</i>	<i>Location.</i>	<i>Capital Stock.</i>	<i>Chartered.</i>
1. Western Reserve Bank..	Warren .....	\$100,000 ..	Feb. 20, 1812. <sup>38</sup>
2. Bank of Muskingum....	Zanesville .....	100,000 ..	Feb. 21, 1812. <sup>39</sup>
3. Farmers' & Mechanics' Bank .....	Cincinnati .....	200,000 ..	Feb. 5, 1813. <sup>40</sup>
4. Dayton Manufacturing Co. ....	Dayton .....	100,000 ..	Feb. 11, 1814. <sup>41</sup>

These banks were all chartered by special acts of the legislature, and their charters all extended until 1818. The methods of their organization were about the same, and the provisions of their charters were quite similar. The number of directors varied from seven to thirteen. The charter of the Farmers' and Mechanics' Bank contained a provision which required that one-third of the thirteen directors must be practical farmers and the same proportion practical mechanics.<sup>42</sup>

In the case of the Bank of Muskingum occurs apparently the first attempt of the legislature to prevent the paying of dividends to stockholders who had not yet paid in all their stock, a clause in that charter providing that persons failing to pay up installments should not be entitled to any dividend. In the charter of this bank also we see the first of the endeavors of the legislature to restrict note issue, as another clause of the charter prohibited the bank from issuing bills to a greater

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<sup>37</sup> Report of the U. S. Comptroller of the Currency, 1876, p. LXXXV. Report of U. S. Sec'y of Treas. Wm. H. Crawford, Feb. 12, 1820.—In Elliot's Funding System, p. 769.

<sup>38</sup> Local Laws of Ohio, Vol. X. (1812), p. 111.

<sup>39</sup> Laws of Ohio, Vol. X. (1812), p. 40.

<sup>40</sup> Laws of Ohio, Vol. XI. (1813), p. 79.

<sup>41</sup> Laws of Ohio, Vol. XII. (1814), p. 162.

<sup>42</sup> Laws of Ohio, Vol. XI. (1813), p. 81. Picture of Cincinnati in 1815—Drake, p. 151.



amount than three times the amount of capital stock paid in, and made the directors individually liable for any excess above that amount. It was also provided in this charter that the legislature might tax the capital stock of the bank.<sup>43</sup>

**Unauthorized Banking.**—In addition to the foregoing banks incorporated by the State Legislature before 1815, there were various other concerns in Ohio carrying on banking business without charters. In 1807 a company known as the Alexandrian Society of Granville had been chartered by the legislature for literary purposes.<sup>44</sup> It later engaged in the business of banking, though no such privilege was granted in its charter.

A bank was opened at Delaware as early as 1812, but failing to get a charter the next winter it wound up its affairs, redeeming all its notes. During the same year a swindling concern called the Scioto Exporting Company was started in this town by a gang of counterfeiters. It was destroyed by the citizens, however, before it could get a large amount of paper afloat.<sup>45</sup> Various other unincorporated banks were established in the state after the expiration of the charter of the first United States Bank in 1811, some of which were quite successful.<sup>46</sup>

Several of the chartered banks had existed for some time as unauthorized banks before applying for charters, as in the case of the Bank of Marietta. Thus, too, the Farmers' and Mechanics' Bank had been established in 1812, the year before it was incorporated.<sup>47</sup> Quite a number also of unauthorized banks existed during the latter part of this period which were later given charters by the legislature in 1816. Thus the Zanesville Canal and Manufacturing Company, which was chartered in 1816, was originally organized in 1812 to build a dam across the Muskingum River and for manufacturing and other purposes.<sup>48</sup> It later exercised banking powers, however, and was probably the bank referred to by Dr. John Cotton when he vis-

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<sup>43</sup> Laws of Ohio, Vol. X. (1812), pp. 40-51.

<sup>44</sup> Laws of Ohio, Vol. V. (1807), p. 62.

<sup>45</sup> Howe's Historical Collections of Ohio, Vol. I., p. 553.

<sup>46</sup> See page 263.

<sup>47</sup> Picture of Cincinnati in 1815 — Drake, p. 151.

<sup>48</sup> Laws of Ohio, Vol. XIV. (1816), p. 293.

ited Zanesville in 1815 and found an "active enterprising population of two or three hundred busy in digging a short canal through rock for water power and factories, to pay the expense of which a private bank was issuing bills which were in good credit".<sup>49</sup> Another unauthorized concern, the Bank of Cincinnati, was founded in 1814, with shares at \$50 each, 8,800 of which had been sold to 345 persons by 1815, though it had not yet obtained a charter. It was governed by twelve directors chosen annually. Its notes in 1815 were in excellent credit and the dividends had advanced from 6 to 8% during the first year.<sup>50</sup> This bank also obtained a charter in 1816.

Many other unauthorized banks were established in the state during the years 1811 to 1814, and by the close of the latter year the large amount of notes issued by these institutions had become a matter of concern to the legislature. On February 8, 1815 the legislature passed an act to raise revenue from banks and to prohibit the unauthorized issue of circulating notes.<sup>51</sup> This law, besides levying a tax of 4% on the annual dividends of the banks, prohibited the issue of notes by any one not authorized by law under a penalty of a year's imprisonment and a fine of not over \$5,000, but until January 1, 1818 it was not to apply to banks which began business before January 1, 1815.<sup>52</sup> It was the first of a long list of laws passed by the Ohio legislature against unauthorized bank notes. In fact it marked the beginning of a war against unauthorized banks and bank currency which Ohio carried on vigorously but with little success during the continuance of state banks issuing currency.<sup>53</sup>

**Condition of Ohio Banks prior to 1815.** — No statistics are available regarding loans and discounts, note circulation, specie on hand, profit and loss, etc., of the banks during this period. It is known, however, that the profits of the banks were considerable. As noted above, the dividends of the Bank of Cincinnati

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<sup>49</sup> King's Ohio, p. 339.

<sup>50</sup> Picture of Cincinnati in 1815 — Drake, p. 151.

<sup>51</sup> Laws of Ohio, Vol. XIII. (1815), p. 152.

<sup>52</sup> Ibid.

<sup>53</sup> A History of Banking in All the Leading Nations, Vol. I., p. 91. History of Banking — John Jay Knox, p. 669.

are said to have risen from 6 to 8% during the first year of its existence. According to Drake, the dividends of the Miami Exporting Company for several years previous to 1815 had fluctuated between ten and fifteen per cent.<sup>54</sup> And the Auditor of State in 1813 suggested to the legislature the advisability of investing a portion of the surplus of the state treasury in some of the most productive bank stocks, where it would, he considered, yield an annual income of ten or twelve per cent.<sup>55</sup>

Undoubtedly, also, the banks of Ohio chartered before 1815 maintained excellent credit throughout this period.<sup>56</sup> They were frequently of service both to the state and to the national governments. When the legislature, desiring to assume the amount of direct tax levied on the state by the United States for the year 1814-15, asked the banks as to loans, it promptly received from six of the banks offers aggregating \$220,000, and verbal assurance of a much larger amount.<sup>57</sup> During the war the Ohio banks made large issues to aid the military operations of the country; and when the credit of the government funds was so much depreciated as greatly to embarrass the public service, these banks liberally supplied the public agents with credit.<sup>58</sup>

All this led to the issue of large sums of paper, and there was undoubtedly considerable inflation in Ohio at that time; but there was also plenty of specie in the state, and, notwithstanding the fact that within a month after the capture of Washington in August 1814 all the banks of the country suspended except those of New England and a few in the West and South,<sup>59</sup> the Ohio banks maintained specie payment until within a month or

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<sup>54</sup> Picture of Cincinnati in 1815 — Drake, p. 150.

<sup>55</sup> Ohio State Auditor's Report, Dec. 8, 1813, p. 3.

<sup>56</sup> Legislative Report on Situation and Condition of Banks — House Journal, 1820, p. 415.

<sup>57</sup> Governor Worthington's Message of Jan. 31, 1815, Respecting Banking Institutions. — Senate Journal, 1815, p. 311.

<sup>58</sup> Ohio House Journal, 1819-20, p. 415.

<sup>59</sup> Financial History of the United States — Dewey, p. 145. Money and Banking — Horace White, p. 270. A History of American Currency — Wm. G. Sumner, pp. 62 and 68.

two of the close of the war.<sup>60</sup> They were finally compelled in self defense to stop paying specie about January 1, 1815, and then it was not long until the mania for inconvertible paper money, already raging in the Middle Atlantic States, passed over the Alleghanies into Ohio and Kentucky.<sup>61</sup>

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<sup>60</sup> Ohio Republican (Dayton, O.), Feb. 6, 1815. A Short History of Paper Money and Banking — Wm. Gouge (Cobbett's Edition), p. 88.

<sup>61</sup> Ibid, pp. 88 and 89. Elliot's Funding System, p. 1106.

## CHAPTER II.

### THE INFLATION PERIOD OF 1815-1817.

**Increase of Population.** — From 1810 to 1820 the population of the United States increased from 7,239,881 to 9,638,453, a gain of nearly 33½%. Of the five great divisions of the country the North Central Division during this decade showed the most rapid growth, having increased from 293,169 in 1810 to 859,305 in 1820, a gain of 566,136 or 193.1%. More than three-fifths of this increase in the population of the North Central Division was due to the gain in Ohio alone, her population increasing from 230,760 in 1810 to 581,434 in 1820, a gain of 350,674 or 151.9%.

Of Ohio's neighbors, Indiana was growing rapidly, having a population in 1820 of 147,178, but Missouri's population in that year was only 66,586 and that of Illinois 55,211, while Michigan in 1820 contained only 8,896 inhabitants. In 1810 Tennessee had more inhabitants than Ohio, and Kentucky had nearly twice as many; but by 1820 Ohio had outstripped them both, her gain in population during the ten years period being considerably more than both of theirs combined.<sup>1</sup> Most of Ohio's gain during this decade, however, was made before 1817.

Besides a large natural increase in her population during this period,<sup>2</sup> Ohio, from her position, was enabled to receive and retain the flower of the emigration which was then proceeding from all quarters to the Northwest. The geographical relations of the Atlantic States inclined their people to the sea, but the Embargo Act and other restrictions to trade down to the War of 1812 turned hundreds of their citizens toward the West. "In the winter of 1814," says McMaster, "the exodus from the sea-board states became alarming. Old settlers in Central New York declared that they had never seen so many teams and

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<sup>1</sup> Abstract of the Twelfth Census, 1900, p. 33.

<sup>2</sup> Valley of the Mississippi — Timothy Flint, p. 405.



sleighs loaded with women, children, and household goods traveling westward bound for Ohio, which was then but another name for the West."<sup>3</sup> Many more went west during the hard winter of 1816-17.<sup>4</sup> But from 1817 up to the time of commencing the works of internal improvements in 1825, Ohio's increase from immigration was comparatively at a stand.<sup>5</sup> Her most rapid increase for the decade was during the speculative period following the War of 1812.

**Economic Conditions.**—The dull times following the opening of the War of 1812 and the hard times at the close of the war, which caused the large emigration from the sea-board states to the Mississippi Valley, were succeeded by a general revival of commercial activity. Ohio shared in the general improvement of business. The large accession of population which the state received just after the war gave a new impulse to enterprise of every sort. Excessive importations of foreign goods were made. All kinds of improvements were projected, many of which advanced with wonderful rapidity. Prices rose steadily, stimulating speculation; and speculation in land, in town sites, in everything of which the new-comers stood in need was carried to a ruinous excess. Banks increased in all parts of the state and supplied an abundant circulating medium. This removed the one obstacle to the wild speculation in which the community wished to join,—it overcame the scarcity of money, —and speculation ran riot.<sup>6</sup>

Lands rapidly rose in value and speculation in them became a raging epidemic. This was facilitated by the disastrous credit system the United States Government had adopted in the sale of public lands. The Act of Congress of May 10, 1800, which established within the present limits of Ohio four district land offices, — Cincinnati, Chillicothe, Marietta, and Steubenville, — the first in the United States, provided that the public lands

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<sup>3</sup> History of the United States — McMaster, Vol. IV., p. 383.

<sup>4</sup> Rise of the New West — Frederick J. Turner, p. 308.

<sup>5</sup> History of Ohio — Caleb Atwater, p. 349.

<sup>6</sup> A Preliminary Sketch of the History of Ohio. (In the Revised Statutes of Ohio by Salmon P. Chase, 1833, Vol. I. (Valley of the Mississippi — Flint, Vol. I., p. 179 (1832).

were to be sold at \$2.00 per acre on the installment plan, a credit of four years being allowed with interest at 6% from date of sale on the last three payments.<sup>7</sup> Under this system men became loaded with land purchases, expecting to sell to immigrants at a big profit. The credit features of this law were not repealed until 1820, and by June 20 of that year the gross sales of public lands in Ohio were 8,848,152.31, acres amounting to \$17,226,186.95.<sup>8</sup> And the increase in receipts from public land sales was paralleled by the increase in the issues of bank notes.<sup>9</sup>

**Speculation and Inflation in the Mississippi Valley.**—These occurrences, however, were not confined to Ohio. The West in general thought itself no longer dependent on New York, Philadelphia, and Baltimore for foreign goods. The steamboat had appeared on the Ohio and the Mississippi, and New Orleans was the port of entry for the Mississippi Valley. The prospect of sudden commercial development joined to the arrival of new settlers brought on an era of the wildest speculation.

The new-comers brought no money. The old settlers had but little. The currency which had never been more than sufficient for the needs of the West, became in the now order of things wholly inadequate for the wants of the people. The cry for money, especially for cheap money, for money that could be borrowed in large sums on the wildest security, was heard on all sides. Banks were multiplied in all the little towns and villages of the West. Their paper not predicated on sound banking principles nor based on capital answered the turn of speculation as long as the excitement of confidence lasted.<sup>10</sup>

For several years scarcely a legislature met without establishing new banks. Ohio chartered 20, Indiana 3, Illinois 2, Tennessee 12, and Missouri 2. Missouri also issued loan certificates, and in defiance of the Constitution of the United States made her paper legal tender. Finally, Kentucky in 1818 chartered 46 banks. The history of these Kentucky banks forms

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<sup>7</sup> The Public Domain — Donaldson, p. 201.

<sup>8</sup> The Public Domain — Donaldson, p. 203.

<sup>9</sup> See page 386.

<sup>10</sup> Valley of the Mississippi — Flint, Vol. I., p. 179.

one of the most striking chapters in the history of fiat money. Throughout the West a flood of paper money was issued, which the people hurried to borrow, invest, and lose.<sup>11</sup>

**Governor Worthington on the Subject of Banks.** — The inflation in the Mississippi Valley began in the latter part of 1815.<sup>12</sup> In November 1815 Governor Worthington of Ohio addressed a letter to the Auditor of State asking his opinion as to the advisability of the State's holding stock in banks, and whether a fund could not thus be established to save excessive taxation.<sup>13</sup> The Auditor in reply on December 18, 1815, called attention to the fact that the charters of all but one of the authorized banks in the state would expire in 1818, and proposed that the state incorporate as many banks as might be deemed safe, the state to take one-fifth of the capital stock. He suggested that the state might make partial payments for this stock for two years, but in the meantime receive full dividends, which were not to be drawn from the banks but to be applied toward the payment for the stock. At the end of two years, he continued, the amount still due the banks from the state should bear interest at 4%, which should be paid out of the dividends. He judged that in this way the debt could be paid in ten years, and advised that all the banks should make monthly reports to the Auditor of their debts, credits, issues, etc.<sup>14</sup>

Governor Worthington was favorably impressed with this idea, and two days later, in his Message of December 20, 1815, he declared that the great increase of banks in Ohio and the extraordinary increase of bank paper as a circulating medium were matters requiring serious attention, especially as many of these banks were aiding in wild schemes of speculation. He stated that the state's only reliance for revenue at that time was on a direct tax on lands, remarked that the strong disposition to create new banks indicated that bank stock yielded considerable profit, and expressed it as his opinion that as the state gave

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<sup>11</sup> J. B. McMaster in *The Forum*, Vol. XIX, p. 161.

<sup>12</sup> *Hist. Banking All Nations*, 1:89

<sup>13</sup> *Ohio Sen. Jour.*, 1816, p. 73.

<sup>14</sup> *Ohio Senate Journal*, 1816, p. 76

extraordinary privileges to banks it seemed just that they should reciprocate.<sup>15</sup>

**The Bonus Law of Feb. 23, 1816.** — The state legislature at once acted on these suggestions. On January 27, 1816, it passed another law prohibiting the issue and circulation of unauthorized bank paper, which fixed a penalty of \$1000 for acting as the officer of a bank violating this law and a penalty of three times the amount of the bills or notes issued by any unincorporated bank, made all contracts with such banks void, and provided that no action could be maintained on any bill or note of such banks.<sup>16</sup> This law was not to apply to incorporated banks. A month later, however, on February 23, 1816, the legislature passed the important banking law known as the "bonus law,"<sup>17</sup> an act designed to raise a state revenue from banks and to prevent their future increase.<sup>18</sup>

By this law the charters of the existing banks were extended, and six new banks were incorporated with a capital stock of \$100,000 each, to go into operation when 600 shares of \$100 each should be subscribed. By the same act there were also incorporated six of the companies with which the state had been at war in regard to unauthorized banking.<sup>19</sup> The law provided that each of the banks thus incorporated should have thirteen directors; that its books must always be open to the inspection of directors and of persons appointed by the legislature; and that its capital might be increased to \$500,000. Each of the banks, new and old, was to set off to the state one share in twenty-five of its capital stock by September 1, 1816, and to continue to do so as new stock was created and sold. On the state's share of the stock the dividends were to accumulate until the state owned one-sixth of the stock, after which the dividends were to be paid to the state.

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<sup>15</sup> Ohio Senate Journal, 1816, p. 73.

<sup>16</sup> Laws of Ohio, Vol. XIV. (1816), p. 10.

<sup>17</sup> Laws of Ohio, Vol. XIV. (1816), p. 77. Also History of Banking in the United States — H. F. Baker (In Bank M. 11:163).

<sup>18</sup> Preliminary Sketch of the History of Ohio — Salmon P. Chase (In his Revised Statutes of Ohio, 1833, Vol. I.).

<sup>19</sup> Ohio Republican (Dayton, O.), Feb. 26, 1816.

No provision was made to pay for the state stock, except that each bank was required to set apart, annually, such a part of its profits as would at the expiration of its charter produce a sum sufficient for that purpose. The consideration for this extraordinary bonus was the extension of the charters until January 1, 1843 of all the banks accepting the provisions of the act by the first Monday of September, 1816; exemption from all other state taxation; and a sort of implied promise that no other banks should be created during the term of their charters, but this was not definite.<sup>20</sup>

All of the banks chartered in Ohio before 1816, except the Miami Exporting Company,<sup>21</sup> accepted the provisions of this law before September 1, 1816.<sup>22</sup> The names and location of the banks enumerated in the act, the authorized capital stock of each, and the date when each accepted its charter under this law are shown in the following table:

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<sup>20</sup>Laws of Ohio, Vol. XIV. (1816), pp. 77 and 109. History of Banking—J. J. Knox, p. 670. Preliminary Sketch of Ohio in Chase's Rev. Stat., 1833, Vol. I.

<sup>21</sup>The Miami Exporting Company did not accept a charter under the act to raise revenue, etc.—Ohio Sen. Jour., 1819, p. 207.

<sup>22</sup>The Inquisitor and Cincinnati Advertiser, Feb. 1, 1820. Also Ohio Sen. Journal, 1820, p. 175.



## BANKS INCORPORATED BY THE BONUS LAW OF FEBRUARY 23, 1816.

Name.	Location.	Authorized Capital Stock. <sup>35</sup>	Date Charter Accepted. <sup>36</sup>
<i>New Banks:</i>			
<sup>23</sup> Franklin Bank of Columbus .....	Columbus ...	\$100,000	Oct. 30, 1816.
<sup>24</sup> Lancaster Bank .....	Lancaster ...	100,000	Aug. 31, 1816.
<sup>25</sup> Belmont Bank .....	St. Clairsville.	100,000	Aug. 22, 1816
<sup>26</sup> Commercial Bank of Lake Erie .....	Cleveland ...	100,000	
<sup>27</sup> Bank of Mt. Pleasant....	Mt. Pleasant.	100,000	Oct. 10, 1816.
<sup>28</sup> Bank of West Union....	West Union..	100,000	Mar. 18, 1816.
<i>Banks previously un- authorized:</i>			
<sup>29</sup> Lebanon Miami Banking Co. ....	Lebanon .....	200,000	Aug. 24, 1816.
<sup>30</sup> Bank of Cincinnati.....	Cincinnati ...	600,000	Aug. 28, 1816.
<sup>31</sup> Urbana Banking Co.....	Urbana .....	200,000	Aug. 15. 1816.
<sup>32</sup> Columbiana Bank of New Lisbon .....	New Lisbon..	200,000	July 12, 1816.
<sup>33</sup> Farmers', Mechanics', & Manufacturers' Bank..	Chillicothe ..	200,000	Aug. 16, 1816.
<sup>34</sup> German Bank of Wooster.	Wooster ....	200,000	Aug. 21, 1816.

Most of these banks organized with but a part of their capital stock, and that part was generally paid in on the installment plan. Frequently, however, the bank would extend its capital stock before all the installments of the original capital were paid in. This is illustrated in the following notice which appeared in a Chillicothe paper in 1816.<sup>37</sup>

<sup>23</sup> Laws of Ohio, Vol. XIV. (1816), p. 77. <sup>24</sup> Ibid, p. 78. <sup>25</sup> p. 79. <sup>26</sup> p. 80, <sup>27</sup> p. 81. <sup>28</sup> p. 82. <sup>29</sup> p. 86. <sup>30</sup> p. 87. <sup>31</sup> p. 88. <sup>32</sup> p. 89. <sup>33</sup> p. 90. <sup>34</sup> p. 92.

<sup>35</sup> History of Banking in Ohio—H. F. Baker (In Bank Mag., 11:165).

<sup>36</sup> See note (<sup>22</sup>) preceding page.

<sup>37</sup> Chillicothe, O., Supporter, Aug. 6, 1916.

*"Farmers', Mechanics' and Manufacturers' Bank of Chillicothe.*

May 2, 1816.

The stockholders of this bank are hereby notified that the second installment of the extended capital stock of said bank will become due on the first day of August next, of \$5 on each share, and the third installment of \$5 on each share on the first day of November next; and the fourth installment of the *original stock* of \$5 on each share will be required on the said first day of November next.

By Order, JOHN P. FESSENDEN, *Cashier.*"

**Other Banks Chartered under Provisions of the Bonus Law.**— For several years after the passage of the bonus law of February 23, 1816, it was treated as a general banking law.<sup>38</sup> Seven more banks were chartered by the Ohio legislature in 1816 and 1817. Of these seven banks, five accepted the provisions of the bonus law. One of these, the Zanesville Canal and Manufacturing Company, was incorporated the next day after the act of February 23, 1816, was passed. The other six were all incorporated in December, 1817, the last being the Little Miami Canal and Banking Company which was incorporated on Dec. 29, 1817, with a capital stock of \$300,000.<sup>39</sup> Besides authority to canalize the Little Miami River from the Ohio to Waynesville, this company was given power to carry on manufacturing and banking. A month after the legislature chartered this batch of banks the Bank of Circleville was incorporated January 14, 1818. After that date no more banks were chartered by the legislature for eleven years.

The following table gives the name, location, and authorized capital stock of each of the banks referred to above as incorporated from February 24, 1816 to January, 1818, and also the date of acceptance of charter of each of the five which accepted the provisions of the bonus law:

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<sup>38</sup> History of Banking in All Nations, Vol. I., p. 92.

<sup>39</sup> Laws of Ohio, Vol. XVI. (1817), p. 43. History of Banking in the United States — H. F. Baker (In Bankers' Magazine, Vol. XI, p. 165)

OHIO BANKS INCORPORATED FROM FEBRUARY 24, 1816, TO  
JANUARY 14, 1818.

Name.	Location.	Authorized Capital Stock. <sup>40</sup>	Date Charter Accepted. <sup>40</sup>
<sup>40</sup> Zanesville Canal & Manufacturing Co.....	Zanesville ...	\$250,000	Aug. 29, 1816.
<sup>41</sup> Farmers' and Mechanics' Bank of Steubenville..	Steubenville .	500,000	July 14, 1818.
<sup>42</sup> Commercial Bank of Scioto .....	Portsmouth .	100,000	Dec. 18, 1818.
<sup>43</sup> Farmers' Bank of Canton.	Canton .....	100,000	July 22, 1818.
<sup>44</sup> Bank of Hamilton.....	Hamilton ...	300,000	July 30, 1818.
<sup>45</sup> Bank of Gallipolis.....	Gallipolis ...	300,000	
Little Miami Canal and Banking Co.....	Cincinnati ...	300,000	
<sup>46</sup> Bank of Circleville.....	Circleville ...	300,000	

While most of the banks named above were incorporated under the general banking law of February 23, 1816, to the extent that they filed certificates accepting the provisions of the bonus law, yet they were all chartered by special acts of the legislature and their charters varied considerably in details. Thus in the charter of the Bank of Hamilton it was first provided that the capital stock should be paid up in "money of the United States." And in that of the Bank of Gallipolis it was first provided that the Governor should send a commission to see

<sup>40</sup> Laws of Ohio, Vol. XIV. (1816), p. 293.

<sup>41</sup> Laws of Ohio, Vol. XVI. (1818), p. 3.

<sup>42</sup> Ibid, p. 6.

<sup>43</sup> Ibid, p. 11. The Farmers' Bank of Canton appears to have been organized as early as January, 1815. Its articles of association, published under date of January 28, 1815, provided for a capital stock of \$100,000, shares \$25, each, 9 directors, total debts not to exceed three times the capital stock paid in, and a charter to continue until January 1, 1835.—See *The Ohio Patriot*, (New Lisbon), Feb. 15, 1815.

<sup>44</sup> Laws of Ohio, Vol. XVI, (1818), p. 19.

<sup>45</sup> Ibid. p. 22.

<sup>46</sup> Ibid. p. 70.

that \$20,000 was actually in hand half in specie and half in United States Bank notes before the bank should begin.<sup>47</sup>

Of all the banks accepting charters under the bonus law it turned out that very few complied with that section of the law which required semi-annual statements of the financial condition of each bank to be made to the Auditor of State. A committee of the legislature appointed to examine the books of the Auditor relative to the returns of the banks reported January 15, 1820, that twenty-three of them were delinquent in the matter of reports; that they had generally returned statements without regard to time; that some had let a whole year intervene between reports; that some had made returns without the oath or affirmation of the cashier; while others had made no returns since they went into operation. The Commercial Bank of Lake Erie was the only one mentioned in the report as having strictly and literally complied with the section of the law requiring half-yearly reports.<sup>48</sup>

**Statistics of Banking Capital.** — It will be seen, therefore, that the statistics of banking operations in Ohio during this period, where attainable at all, are not very complete, even for the chartered banks. This lack of banking statistics, however, is by no means confined to Ohio. The same thing is true of the country generally, not only for the years of inflation following the War of 1812, but for the entire period down to 1834.<sup>49</sup> About the only figures available for the inflation period are those founded on applications made by the banks to the Treasury of the United States under the acts imposing stamp duties.

The total number of state banks in the United States increased from 208 in 1815 to 246 in 1816 while their capital increased from \$82,259,590 to \$89,822,422.<sup>50</sup> In 1817 the total banking capital in the country (including that of the Second

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<sup>47</sup> History of Banking in All Nations. Vol. I, p. 92.

<sup>48</sup> Inquisitor and Cincinnati Advertiser, Feb. 1, 1820. Ohio Senate Journal, 1820, p. 175.

<sup>49</sup> Money and Banking — Horace White, p. 362. Financial History of the United States — Davis R. Dewey, p. 153.

<sup>50</sup> Report of U. S. Comptroller of the Currency, 1876, p. LXXXV.

United States Bank) was over \$125,000,000. The average dividends on which stamp duties were paid during those years were about  $7\frac{1}{2}\%$ . It was a matter of general notoriety however that the dividends actually paid exceeded that rate. Assuming 10% as the average dividend paid, Secretary Crawford thought that in 1817 the actual capital paid in, instead of being over \$125,000,000, would be found to be about \$94,000,000. Even this amount he considered too high for the active capital. On account of the system in vogue after the War of 1812 of allowing stockholders permanent accommodations at the bank, or of permitting them to pay considerable portions of their stock subscriptions with their own notes, Mr. Crawford estimated the active capital of the banks in 1817 as probably not over \$75,000,000.<sup>51</sup>

So far as known at the Treasury the capital of the chartered banks in Ohio increased from \$1,435,819 to \$2,806,737 during the years 1815 and 1816, an increase of nearly 100%. This was the highest point reached before the thirties. By the end of 1817 the amount had fallen to \$2,003,969. During the same two years the number of chartered banks in Ohio more than doubled, increasing from 8 to 21.<sup>52</sup> As for the unauthorized banks, which continued to spring up in all parts of the state during this period, nothing at all is known as to the amount of their capital, circulation, loans, etc., nor even as to their number. The total amount of notes issued by them, however, was large and added greatly to the inflation of the currency in Ohio at that time.

**Suspension and Bank Note Depreciation.** — During most of this period there was suspension of specie payments in all parts of the country except in New England, and bank notes were depreciated everywhere. The banks of New Orleans had suspended specie payment in the latter part of April 1814, and some of the banks in Maine also had suspended in the early part of that year.<sup>53</sup> About the same time there occurred a bank mania

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<sup>51</sup> Elliot's Funding System, p. 734.

<sup>52</sup> Rept. of Secy. of Treas. Wm. H. Crawford, Feb. 12, 1820. (Elliot's Funding System, p. 769.)

<sup>53</sup> Elliot's Funding System, p. 1106.



in Pennsylvania during which the legislature of that state chartered 41 new banks, which were organized on capital consisting chiefly of stock notes.<sup>54</sup> August 30, 1814, the Philadelphia banks suspended specie payments, followed within a week or two, according to compact it is said, by all the other banks in the Middle and Southern States.<sup>55</sup> The national government in distress for money at that time and at the mercy of the banks, gave tacit consent to the suspension, which it was said was to continue only during the war.<sup>56</sup>

The banks of Ohio and Kentucky, however, maintained specie payments until about the first of January, 1815, and the Bank of Nashville, Tennessee, until July or August, 1815.<sup>57</sup> "It must be evident from this," says Gouge, "that if the United States Government had immediately compelled the banks of the great Atlantic cities to redeem the pledge they had given in the preceding August, the western country might have suffered but little from the suspension of specie payments."<sup>58</sup> But specie resumption did not take place when peace returned. Instead of redeeming their pledge, "the banks, urged on by cupidity, and losing sight of moral obligation in their lust for profit, launched out into an extent of issues unexampled in the annals of folly."<sup>59</sup> "The years 1815, 1816," says Hildreth, "may be well marked in the American calendar, as the jubilee of swindlers, and the Saturnalia of non-specie paying banks. Throughout the whole country, New England excepted, it required no capital to set up a bank."<sup>60</sup>

The great over-issue of notes which resulted produced depreciation. Notes of the Philadelphia banks were depreciated 16 to 20%, those of the interior of Pennsylvania 25 to 50%, even the notes of the New England banks and a few others

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<sup>54</sup> Money and Banking—White, p. 363.

<sup>55</sup> Elliot's Funding System, p. 1106.

<sup>56</sup> The History of Banks—Richard Hildreth, pp. 58 and 59.

<sup>57</sup> Elliot's Funding System, p. 1106.

<sup>58</sup> A Short History of Banking—Gouge (Cobbett's Ed.) p. 89.

<sup>59</sup> Money & Banking—White, p. 363. (Quoted from a report to the Pennsylvania Legislature in 1820, by a committee of which Mr. Raguet was chairman.)

<sup>60</sup> Banks, Banking, and Paper Currencies—Richard Hildreth, p. 67.

which continued to pay specie were at a discount, "for", says Gouge, "nobody knew how long any distant bank would continue to pay specie. All the banks whose notes were at a discount at New York of less than 5 per cent were understood to pay specie on demand."<sup>61</sup>

Notes of the chartered banks in Ohio, which were quoted at 4 to 5% discount in Philadelphia in November and December, 1814, were quoted at 6 to 7% discount on January 2, 1815, 8 to 10% discount on December 4, 1815, and January 1, 1816, 10 to 12% on December 2, 1816, and from 12 to 15% discount on January 6, 1817.<sup>62</sup> Notes of unauthorized banks in Ohio were quoted in New York at times during this period at a discount of 20 to 25%<sup>63</sup>.

The depreciation of the bank notes, which formed practically the only currency everywhere except in New England, produced a great rise in prices<sup>64</sup>. Land in Pennsylvania was worth on the average in 1809 \$38 per acre, in 1815 \$150 per acre.<sup>65</sup> The price of flour in Philadelphia was \$8.60 per barrel in 1814, \$8.71 in 1815, \$9.78 in 1816, and \$11.69 in 1817.<sup>66</sup> In the West lands rose to double and triple their value.<sup>67</sup> At Chillicothe, Ohio, wheat was quoted on September 16, 1812 at 62½c per bushel,<sup>68</sup> on August 3, 1816 it was 75c and corn 37½ to 43c,<sup>69</sup> while on November 28, 1816 wheat was worth \$1.50 and corn 50c.<sup>70</sup> The apparent value of all kinds of property suddenly went up and the people imagined they were growing rich never so fast. Meanwhile, the banks were paying enormous dividends.<sup>71</sup>

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<sup>61</sup> Money and Banking — White, p. 363.

<sup>62</sup> Elliot's Funding System, p. 1106. See Appendix.

<sup>63</sup> History of Banking — Knox, p. 669.

<sup>64</sup> The History of Banks — Hildreth, p. 60.

<sup>65</sup> A History of American Currency — Sumner, p. 80.

<sup>66</sup> Hunt's Merchants' Magazine, Vol. IV, p. 286.

<sup>67</sup> Valley of the Mississippi — Flint, Vol. I, p. 179.

<sup>68</sup> Fredonian, (Chillicothe, O.), Sept. 16, 1812.

<sup>69</sup> The Supporter (Chillicothe, O.), Aug. 6, 1816.

<sup>70</sup> The Scioto Gazette and Fredonian Chronicle (Chillicothe, O.), Nov. 28, 1816.

<sup>71</sup> The History of Banks — Hildreth, p. 60.

**Convention of Ohio Banks at Chillicothe.**—As long as the banks could issue notes without having to redeem them, of course they prospered and made large dividends. They were simply exchanging their notes for those of private citizens on condition that the latter should pay 6 to 10% interest and the principal at maturity, whereas the banks paid neither interest nor principal.<sup>72</sup> As might be expected, therefore, the banks were in no hurry to resume specie payments.

The enactment of the law, April 10, 1816, establishing the Second Bank of the United States, which was expected to lead the State banks in the restoration of the currency to a specie basis, was soon afterward reinforced by the passage of a joint resolution providing that after February 20, 1817, all dues to the United States government must be paid in legal currency, treasury notes, United States Bank notes, or notes of other specie paying banks.<sup>73</sup>

The banks thus notified to get on a specie paying basis if they desired credit with the government, were reluctant, however, to reduce their loans and contract their circulation to that extent. So in the following summer the banks of the Middle States held a convention and asked that the date set for resumption be postponed, on the ground that the United States Bank could not be organized by that time and that they wished its aid in their efforts to resume.<sup>74</sup>

Likewise the Ohio banks were ready with an excuse for delaying resumption. In response to a circular letter sent out on July 22, 1816, by the Secretary of the Treasury of the United States inquiring as to resumption, delegates from nearly all the chartered banks of Ohio convened at Chillicothe on September 6, 1816 for the purpose of agreeing on some general course respecting the resumption of specie payments. As the result of their deliberations they resolved,—that it would not be safe or prudent for the Ohio banks to resume until the payment of specie became general at the banks of the Atlantic cities; declared that the Ohio banks there represented were

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<sup>72</sup> Money and Banking—White, p. 364.

<sup>73</sup> Financial History of the United States—Dewey, pp. 150 and 151.

<sup>74</sup> Financial History of the United States—Dewey, p. 151.

ready to resume specie payment; and pledged themselves to pay specie for their notes as soon as it should be ascertained that the payment of specie had become general at the banks of the Atlantic cities.<sup>75</sup> Meanwhile the banks went on issuing more stock and notes and paying more dividends.<sup>76</sup> In fact, as noted elsewhere, in 1816 the banking capital in Ohio reached the highest amount reported before the 30's. Events were occurring, however, which finally brought about the general resumption of specie payments.

**Branches of the United States Bank in Ohio and Resumption of Specie Payment.** — Notwithstanding the prophecy of the state banks that the United States Bank could not be organized so soon, it was opened in January 1817. That same month it persuaded the local banks of Philadelphia to agree to resume specie payments on February 21, and specie payments were nominally resumed on the appointed day.<sup>77</sup>

In January 1817 a branch of the United States Bank was established at Cincinnati, Ohio.<sup>78</sup> And on February 20, 1817 two of the Ohio banks resumed specie payments.<sup>79</sup> The other chartered banks of Ohio resumed the payment of specie early in the spring of 1817, after receiving assurance from the United States Treasury, it is claimed, that time would be given them until the ensuing season for the redemption of their paper, large amounts of which had been paid to the government for public lands and for internal taxes.<sup>80</sup>

The effect of resumption at once became apparent in the decreased depreciation of bank notes. Notes of the old chartered banks of Ohio, which were quoted in Philadelphia January 6,

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<sup>75</sup> The Ohio Republican (Dayton), Sept. 18, 1816. Niles Weekly Register, Vol. XI, p. 57, (Sept. 21, 1816.)

<sup>76</sup> The Supporter (Chillicothe, O.), Aug. 6, 1816. The Scioto Gazette and Fredonian Chronicle (Chillicothe, O.), Nov. 28, 1816.

<sup>77</sup> Money and Banking — White, p. 364. That the resumption of specie payment was only nominal is indicated by the fact that silver remained at a premium at Philadelphia. See Appendix, p. 259.

<sup>78</sup> Bankers' Magazine, Vol. IX, p. 4.

<sup>79</sup> History of the United States — J. B. McMaster, Vol. IV, p. 317.

<sup>80</sup> Liberty Hall and Cincinnati Gazette, Feb. 2, 1819.

at 12 to 15% discount, rose to 6% discount on April 7.<sup>81</sup> In general, however, conditions did not improve much.

In October 1817 another branch of the United States Bank was established in Ohio, this one at Chillicothe.<sup>82</sup> By this time the public sentiment, which had manifested itself in the fall of 1816 in efforts of the people of both Cincinnati and Chillicothe to secure branches of the United States Bank in those towns,<sup>83</sup> was beginning to turn against the Bank. A joint committee of the state legislature, reported December 27, 1817 as to the expediency of taxing the branches in the state.<sup>84</sup> The report was adverse, but the House rejected it and adopted a substitute report asserting the right of the state to tax the branches, and declaring the expediency of doing so at once.<sup>85</sup> When the bill imposing such a tax was read, however, it was laid over until December, 1818.<sup>86</sup>

**Proposition for a State Bank.** — On Dec. 19, 1817, a few days before the above report, the Ohio Legislature, in a committee of the whole was considering the question of passing a general law for incorporating banks, and it appointed a joint committee to inquire into the expediency of inviting the chartered banks to surrender their charters for the purpose of uniting their capital stock into a State Bank with branches at the places which had chartered banks.<sup>87</sup> This scheme did not then materialize, but during the same month six new state banks were incorporated by the legislature under the provisions of the bonus law of 1816.<sup>88</sup> These were followed a month later by another, which, however, was the last bank chartered by the Ohio legislature for a period of eleven years.<sup>89</sup> The Inflation Period was about to give way to a period of reaction.

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<sup>81</sup> See Appendix, p. 487.

<sup>82</sup> Bankers' Magazine, Vol. IX, p. 4. Ohio Watchman (Dayton), Oct. 30, 1817.

<sup>83</sup> The Scioto Gazette and Fredonian Chronicle, (Chillicothe), Nov. 28, 1816. Niles Register, Vol. XV, p. 59, (Sept. 19, 1818).

<sup>84</sup> Ohio House Journal, 1818, p. 144.

<sup>85</sup> Ibid, p. 308.

<sup>86</sup> History of the United States — McMaster, Vol. IV, p. 498.

<sup>87</sup> Ohio Senate Journal, 1818, p. 87.

<sup>88</sup> See page 276.

<sup>89</sup> See page 277.



### CHAPTER III.

#### THE CRISIS OF 1818-19.

**"The Golden Age of the Western Country."** — The prosperity of the speculative period continued in the western country until the middle of 1818. The flood of immigrants after the war of 1812 had increased the amount of transport and given a big impulse to enterprise of all kinds. Steamboat building and town making advanced rapidly. The sale of lands put a lot of money into circulation. Mercantile importations filled the country with foreign goods. Both town and country partook of the advantages of the boom. Industry was rewarded, markets were enlarged, and the products of the country were purchased at liberal prices. The farmers felt with as much force as the mechanic and the merchant of the city the pleasing prosperity of those halcyon days.<sup>1</sup>

The many banks which had sprung into existence supplied an abundant currency. "If the months of May, June, July, and August, 1815, were the golden age of Philadelphia," says Gouge, "the first months of the year 1818 were the golden age of the western country. Silver could hardly have been more plentiful at Jerusalem in the days of Solomon, than paper money was in Ohio, Kentucky, and the adjoining regions."<sup>2</sup> In Zanesville, Ohio, more than 30 kinds of paper were passing from hand to hand. Besides the paper of the various banks, most plentiful of all were the "shinplasters" issued by bridge, turnpike, and manufacturing companies, city and borough authorities, mer-

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<sup>1</sup> Valley of the Mississippi — Flint, Vol. I, p. 179. Liberty Hall and Cincinnati Gazette, Jan. 24, 1823. Preliminary Sketch of Ohio (In Chase's Revised Stat., 1833.)

<sup>2</sup> Gouge's Journal of Banking, Mar. 30, 1842, p. 320.

chants, tavern keepers, and shoeblacks, and ranging in value from 3c to \$2.<sup>3</sup>

Ohio was not the only state over supplied with banks at that time, however. In 1818 there were 392 banks in 23 states and territories, located as follows:<sup>4</sup>

DISTRIBUTION OF STATE BANKS IN THE UNITED STATES IN 1818.

New Hampshire...	12	Delaware .....	8	Kentucky .....	59
Vermont .....	5	Maryland .....	25	Tennessee .....	3
Massachusetts ....	38	Virginia .....	17	Louisiana .....	3
Rhode Island.....	35	North Carolina....	7	Michigan .....	1
Connecticut .....	10	South Carolina....	3	Missouri .....	2
New York.....	42	Georgia .....	3	District of Colum-	
New Jersey.....	14	Ohio .....	28	bia .....	15
Pennsylvania .....	59	Indiana .....	3		
					Total No..... 392

The Portsmouth, Ohio, Gazette of August 12, 1818, gives a list of 23 chartered banks in Ohio,<sup>5</sup> and remarks: "It is supposed that all the above banks have been generally prudently managed; and all, (except the German Bank of Wooster),<sup>6</sup> are in good credit in their respective neighborhoods, and promptly redeem their notes with specie." It adds, however,—“The notes of all the unchartered banks in this state with the exception of John H. Piatt & Company’s Bank, Cincinnati, which are in good credit, and the Bank of Xenia, which are still current in some places, are considered as good for nothing.”

Confidence in the local banks was not destined to continue much longer however. For in the summer of 1818 began the

<sup>3</sup> History of the United States — McMaster, Vol. IV, p. 317.

A somewhat similar condition arose in Ohio at a much later date. Early in the Civil War period there sprang up over the state the use of “checks,” “tickets,” “notes,” “orders,” etc., for fractional parts of a dollar issued by various counties, cities, villages, associations and individuals, and purporting to be redeemable in current bank notes or government notes when presented in sums of \$5, etc. — Rept. of State Aud. on condition of banks in December, 1862.

<sup>4</sup> Hist. of U. S. — McMaster, Vol. IV, p. 485.

<sup>5</sup> Five of those chartered the preceding winter omitted.

<sup>6</sup> Reported Nov. 1817 as having stopped specie payt. — O. Watchman, Nov. 20, 1817.

crisis in the Mississippi Valley,—a part of the industrial and commercial storm which swept the entire country.<sup>7</sup> At the beginning of the year 1818 the whole country south and west of New England was enjoying apparently the most enterprising prosperity. Before the year ended it presented a scene of general bankruptcy, confusion, and dismay.<sup>8</sup>

**Causes of the Crisis of 1818-19.** — The causes of the crisis were complex. An unnatural expansion in trade had succeeded the restrictions caused by the embargo and the war. The foreign commerce of the country had grown from less than \$20,000,000 in the year ending September 30, 1814, to over \$152,000,000 in that ending September 30, 1815, and over \$194,000,000 in that September 30, 1816. In each of these three years the value of imports was about twice that of the exports.<sup>9</sup> This made it difficult or impossible for the manufacturing industries of the country to get a stable footing after the abnormal growth occasioned by the embargo and the war.

The speculation and high prices promoted by the several years of commercial expansion and excessive banking were succeeded by a contraction of credits and a fall in prices when the banks endeavored to return to a specie basis in 1817. The bank circulation, which in 1815 and 1816 had reached \$110,000,000, was decreased until in 1819 it was only \$65,000,000.<sup>10</sup> This resulted in a ruinous fall in prices. "In no other epoch of the century," says Burton, "is it probable that the fall in prices of commodities and real estate was so marked as in 1818-19."<sup>11</sup>

The expansion of credits and speculative enterprises had been accompanied by a great increase of luxury and waste. A large part of the people became possessed of the desire to live by speculation instead of by work. The gambling spirit dominated them. There were no reasonable foundations to many of the schemes and no limits to the extravagances of the people.

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<sup>7</sup> History of Banking in All Nations, Vol. I, p. 109.

<sup>8</sup> The History of Banks — Hildreth, p. 65.

<sup>9</sup> Crises and Depressions — Theodore E. Burton, pp. 276-7.

<sup>10</sup> Financial History of the United States — Albert Bolles, 2: 329.

<sup>11</sup> Crises and Depressions, p. 276.

See also The History of Banks — Hildreth, p. 165.

A fictitious value was given to all kinds of property. Specie disappeared from circulation and all efforts to restore society to its natural condition were treated with contempt.<sup>12</sup>

This unnatural state of things could not last long. Men who contracted debts found, when called upon for payment that the means were wanting. Banks that had made excessive issues found themselves unable at times to redeem their paper on demand, and the currency of course began to depreciate. The tide began to ebb, and things to settle to their natural level. The first indication of this change was the failure of the banks, at first as rare occurrences; but soon these failures became so numerous and common that the paper, except of the banks of Louisiana, Mississippi and a few of the interior banks, became practically worthless.<sup>13</sup>

**The Crisis in the West Occasioned by the United States Bank.**—The crisis in the west began in the summer of 1818. The immediate cause was the Bank of the United States.<sup>14</sup> The state of the currency and the business of the country determined that the course of exchange should be almost constantly in favor of the east and north, and against the west and south. The western states, having less capital, were in the course of trade generally indebted to the Atlantic seaports. Whether on account of larger purchases of public lands than usual, the excited spirit of enterprise, or whatever cause, it appears that during the years immediately following the opening of the United States Bank the amount of debts due by the west either to the east or to the government, was unusually large. The western branches of the bank as a result discounted too largely.<sup>15</sup>

**Expansion of Credits by Western Branches.**—On account of the course of exchange being in favor of the east and

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<sup>12</sup> Financial History of the United States—Dewey, p. 166.

Crises and Depressions—Burton, pp. 275-277.

Money and Banking—White, pp. 365-6.

<sup>13</sup> Valley of the Mississippi—Flint, Vol. I, p. 179.

Preliminary History of Ohio—Chase (In Revised Statutes of 1833). For Ohio Notes see Appendix, pp. 487, 492.

<sup>14</sup> History of Banking in All Nations, Vol. I, p. 109.

<sup>15</sup> Considerations on the Currency—Gallatin, p. 48.

against the west the western branches could issue their notes without much danger of their returning upon them. Hence they piled up enormous loans. For example, the Cincinnati Branch discounted over \$1,000,000 in October 1817, over \$1,836,000 in June 1818, and \$1,867,383 in November 1818. The Lexington Branch discounted over \$1,600,000 in June 1818 and over \$1,700,000 in November 1818. Similar conditions existed at every western branch.<sup>16</sup>

By these large issues of branch notes and of drafts on the parent bank and the eastern branches, western debtors were enabled to pay their eastern creditors; but the debt was merely transferred to the United States Bank, where large balances accumulated against the local banks. The issues also increased the inflation in the west.

**Operations of United States Bank Increase Inflation in the West.** — "It may perhaps be just to say," says Sumner, "that but for the Bank of the United States the West would never have been drawn into the inflation."<sup>17</sup> This statement seems somewhat too strong in view of the fact that there had been inflation in the west for a year and a half before the United States Bank opened. But the large issues of the western branches certainly did increase the inflation.

As the notes issued by each branch of the United States Bank were redeemable at any other branch or at the parent bank, the large issues of the western branches resulted in draining the capital from the main office and the eastern branches to the western branches. Thus in the spring of 1819, although great curtailments had then taken place, nearly \$6,500,000 of the capital of the bank was distributed among the interior western offices, whereas the whole amount allotted to the offices north and east of Philadelphia was less than \$1,000,000.<sup>18</sup> Then, too, the notes of the western branches which remained in circulation in the west helped to increase the inflation.

Moreover, by extending the loans of the western branches, the United States Bank permitted the state banks to over-trade

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<sup>16</sup> The Second Bank of the United States — Catterall, p. 34.

<sup>17</sup> History of Banking in All Nations, Vol. I, p. 109.

<sup>18</sup> Considerations on the Currency — Gallatin, p. 49.



and inflate the currency. For, up until July, 1818, the Bank did not insist on the payment of the balances due from the state banks. The latter always had large balances against them at the western branches, and not being called upon for these balances, they continually inflated their issues and expanded their discounts.<sup>19</sup>

The western branches issued their own notes in preference to those of state banks and, whenever possible, delivered drafts on eastern cities to prevent remitting their own notes. The branch notes and drafts thus sent east tended to produce a vacuum in the circulation. This was quickly filled, however, by the notes of local banks, which were readily received by the branches and kept as a fund on which to charge interest to the state banks. By accepting bank notes not apt to be redeemed and making them the circulating medium in the region where issued the United States Bank made the mistake of increasing the very notes least worthy of confidence.<sup>20</sup>

**Sudden Restriction of Credits by United States Bank precipitates the Panic.** — In the summer of 1818, however, the United States Bank realized the danger and in order to secure safety made a radical change, restricting its issues, calling on the state banks for the balances due, and adopting the policy of redeeming none of its notes except at the branch where issued. This sudden reversal of policy coming at a time when everything was so inflated burst the bubble and "precipitated the panic, for which, however it was hardly more responsible than was Noah for the flood."<sup>21</sup>

The country was quite unprepared for these measures and they occasioned much suffering and embarrassment. The keenest distress fell upon the west. The conditions there had never

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<sup>19</sup> The Second Bank of the United States — Catterall, p. 35.

<sup>20</sup> Financial History of the United States, 1789-1860 — Bolles, pp. 323 and 324.

<sup>21</sup> Second Bank of the United States — Catterall, p. 61.

See also — A Short History of Banking — Gouge, p. 64.

Financial History of the United States — Dewey, p. 152.

Considerations on the Currency — Gallatin, p. 49.

History of Banking in All Nations, Vol. I, p. 109.

Crises and Depressions — Burton, p. 276.

justified the large loans of the United States Bank, and the inflation and overtrading by the state banks had aggravated the evil. Much of the indebtedness in the west had been created by loans to farmers, and was secured only by mortgages on greatly over-valued real estate, which was unsalable during a crisis. In the towns the money borrowed had been expended mostly in permanent improvements and could not be repaid on demand. In fact the borrowers had never expected to pay the notes when they first came due, the usual custom being to renew again and again. Consequently the restrictive orders compelling the payment of debts just when it was most difficult to pay them greatly increased the already keen hostility against the bank.<sup>22</sup> The view of the matter taken by almost everybody in 1818-19 was expressed by Gouge thus: "The Bank was saved and the people were ruined."<sup>23</sup>

**United States Bank calls for Balances due from Cincinnati Banks.**—The United States Bank was very sudden in its demands. On July 20, 1818, the parent bank ordered the Cincinnati branch to collect the balances due from the local state banks at the rate of 20% every 30 days. As the balances due from the Cincinnati banks amounted to about \$720,000, this demand meant they were called upon to pay about \$144,000 every month.<sup>24</sup> The difficulty was increased when, on August 28, 1818, the Bank issued its orders to the branches to cease receiving each others notes.<sup>25</sup> The Cincinnati banks could not pay. In fact in October they owed more than they had in July, although they had tried to redeem their debt, incidentally inflicting distress upon their own debtors who, having neither specie nor bank notes, simply could not pay.

**Suspension of Specie Payment by Ohio Banks.**—The Cincinnati banks protested vigorously against the action of the United States bank. But the latter, instead of yielding and offer-

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<sup>22</sup> Second Bank of the United States—Catterall, pp. 61 and 62.

<sup>23</sup> A Short History of Banking—Gouge, p. 71.

<sup>24</sup> Nile's Register, Vol. XV, p. 59. (Sept. 19, 1818).

The Supporter, (Chillicothe, O.), Aug. 26, 1818.

A Short History of Banking—Gouge, pp. 64 and 90.

<sup>25</sup> Financial History of the United States—Dewey, p. 152.

ing more favorable terms, prohibited the receipt of the notes of the Cincinnati banks. This precipitated a disaster. The three Cincinnati banks suspended specie payment on November 5, 1818.<sup>26</sup> Most of the other Ohio banks soon followed.

Niles' Register of December 12, 1818 says: "It is stated that \$2500, per week are required to pay the discounts on monies loaned by the branch of the bank of the United States at Cincinnati. . . . the branch has scarcely any of its notes in circulation and Ohio has been drained of specie. It is a serious enquiry how these discounts are to be paid." The same paper states that many of what were considered the best banks in Ohio had stopped specie payment, and that it was feared that all the rest must follow.<sup>27</sup> And in its issue of January 9, 1819 this paper announced that only two or three banks in Ohio were still paying specie, adding also that of the notes of these there were very few in circulation.<sup>28</sup> The notes of nearly all the Ohio banks, already below par before the suspension, continued to depreciate more and more, and the paper of several of them became absolutely worthless.<sup>29</sup>

**Notes of Many Ohio Banks refused at State Treasury in Payment of Taxes.**—In September 1818 it was stated that the notes of 16 of the chartered banks of Ohio would not be received in payment of the state taxes.<sup>30</sup> In Governor Worthington's Message to the Ohio legislature on December 7, 1818, he speaks of the disordered state of the paper currency, the great difficulty the people of the state had in paying and the officers of the state in collecting the taxes, and urges that the legislature designate by law what should be received by the collectors in payment of state and county taxes. He even suggests for the consideration of the legislature the question of the establish-

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<sup>26</sup> Liberty Hall and Cincinnati Gazette, Nov. 11, 1818.

Second Bank of the United States—Catterall, pp. 62 and 63.

<sup>27</sup> Niles' Register, Vol. XV, p. 283.

<sup>28</sup> Ibid., p. 361.

<sup>29</sup> Preliminary Sketch of Ohio in Chase's Revised Statutes, 1833. Elliot's Funding System, p. 1106.

Ohio Watchman, (Dayton), Oct. 29, 1818.

See Appendix, p. 487.

<sup>30</sup> Niles' Register, Sept. 19, 1818, p. 59.

ment of a state bank to be composed of the banks already incorporated that might be willing to surrender their existing charters and become branches of a state bank, whose paper should be received in payment of taxes. He added, however, that time could determine whether such a bank would lessen the difficulties then felt.<sup>31</sup> But nothing came of this at that time.

**State Bank Notes refused at Cincinnati in payment of Public Land Sales: Chartered Banks ask Repeal of Bonus Law.** — In November 1818 the banks were in such a condition that the land agent at Cincinnati was ordered to take nothing but United States notes and specie in payment of land sales. This caused consternation among the banks. The notes of the United States Bank had never circulated in Cincinnati to any great extent, and at that time specie was equally scarce. Brokers were selling it at 20% premium and their stock threatened soon to be exhausted. The result of the edict was, therefore, that the sale of public lands was stopped in that locality.<sup>32</sup>

At a meeting of bank delegates from middle and western Ohio it was agreed to petition the legislature to take back their charters and repeal the bonus law of 1816.<sup>33</sup>

The committee of the legislature to whom this petition was referred, however, took the ground that capital invested in banking was a proper subject of taxation, and reported that it was not expedient at that time to exempt the state banks from the payment of the bonus.<sup>34</sup> Consequently, although Governor Brown in his message to the legislature December 16, 1818, suggested substituting a tax on the real estate of the banks, and a rate on their dividends in place of the bonus,<sup>35</sup> the so-called bonus law remained on the statute books until 1825.

**Unauthorized Banking in Ohio.** — In the petition one of the reasons given by the banks for asking the repeal of the bonus law was that the state had not suppressed illegal banking accord-

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<sup>31</sup> Message printed in Niles' Register, Vol. XV, supplement, p. 87.

<sup>32</sup> Liberty Hall and Cincinnati Gazette, Nov. 17, 1818.

<sup>33</sup> History of the United States — McMaster, Vol. IV, p. 488.

<sup>34</sup> Ohio Senate Journal, 1818, p. 256.

<sup>35</sup> Niles' Register, Vol. XV, Supplement, p. 91.

ing to the promise alleged to have been implied in the provisions of the law of 1816.<sup>36</sup> In fact the unauthorized banks had continued to flourish and their numbers had constantly increased. Some of these were in very good repute. Such were,—the Bank of Xenia, whose notes in June 1818 were said to be 2% higher at the banks of Cincinnati than those of any other of the banks of the state except the Miami Exporting Company;<sup>37</sup> and the bank of John H. Piatt and Company of Cincinnati, whose notes were only 4½% discount in October, 1818.<sup>38</sup> Others, however, like the Owl Creek Bank at Mt. Vernon,<sup>39</sup> or the Granville Bank, whose officials John Kilbourn, on November 12, 1818, said he esteemed in their private capacities, but as bank directors he publicly proclaimed to be “a pack of knaves and swindlers,”<sup>40</sup> issued paper without restriction, never expecting to redeem it at all.

Some of the chartered banks had been established with insufficient capital, with little or no specie, and in places where there was no active trade; but the legislature, as Governor Brown remarked in his message of December 16, 1818, had become more cautious about granting those incorporations.<sup>41</sup> Consequently their number did not increase in Ohio during this period. But the laws against unauthorized banking, though perhaps of some benefit, were far from effective, and did not prevent impositions on a confiding public. The number of unauthorized banks and the amount of their paper in circulation increased continually. “The extravagant number of banks in this as well as other states in addition to the evil of banishing an universal

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<sup>36</sup> Ohio Senate Journal, 1818, p. 256.

<sup>37</sup> Ohio Watchman, (Dayton), June 25, 1818.

During the session of 1818-19 the Bank of Xenia applied to the legislature for a charter, offering to make the stockholders liable in their individual capacity, to forfeit their charter by ceasing to pay specie, and to publish annually a list of officers. The application was made too late in the session, however, to leave time for the granting.—Ohio Watchman, Feb. 25, 1819.

<sup>38</sup> Ibid., Oct. 29, 1818.

<sup>39</sup> See Niles' Register, Vol. LII, p. 85.

<sup>40</sup> Ohio Watchman, Dec. 3, 1818.

<sup>41</sup> Niles' Register, Vol. XV. Supplement, p. 91.



medium from common circulation by substituting an excessive quantity of bank notes has rendered it impossible," says Governor Brown in the message referred to above "for citizens to distinguish between genuine and counterfeit."<sup>42</sup>

**Counterfeit Notes, Small Notes, Post Notes, Buying up Notes at Discount, and Tax on Unauthorized Banks.**—Counterfeit notes, which had been numerous in the state during the inflation period,<sup>43</sup> became still more abundant in 1818 and the years following.<sup>44</sup> Many of these came from manufacturing in Canada. They were too numerous to admit of description.<sup>45</sup>

Notes of very small denominations became quite common. Some of the banks issued post notes. Others indulged in the practice of buying up their own paper at a discount. The legislature was continually passing laws on these subjects, usually in vain however. On February 5, 1819, an act was passed making it unlawful to issue notes payable at a future day, and forbidding the issue or receipt of a note or bill less than \$1.<sup>46</sup>

An act to prohibit the practice of buying and receiving bank notes at a discount was passed February 8, 1819.<sup>47</sup> It provided that all bank notes should pass at their face value; fixed a penalty of not over \$500 for receiving or paying away notes at a discount; and provided that persons paying away notes at a discount might, on suit, recover the difference. Its lack of success, however, is indicated by its repeal on January 24, 1820.<sup>48</sup> That this practice was quite common at the time is made plain by an article from the Cincinnati Enquirer quoted in Niles' Register of July 29, 1820.<sup>49</sup> This article says that there was great excitement at Cincinnati on account of the belief generally entertained

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<sup>42</sup> Niles' Register, Vol. XV. Supplement, p. 92.

<sup>43</sup> Chillicothe, Ohio, Supporter, Aug. 16, 1816.

<sup>44</sup> Liberty Hall and Cincinnati Gazette, Aug. 4, 1818.

*Ibid.*, Sept. 1, 1821.

Niles' Register, Aug. 8, 1819, p. 396.

<sup>45</sup> *Ibid.*, Vol. XIX, p. 328, Jan. 13, 1821.

<sup>46</sup> Revised Statutes of Ohio, 1833, (Chase), p. 1067.

<sup>47</sup> Laws of Ohio, Vol. XVII, (1819), p. 152.

<sup>48</sup> Revised Statutes, (Chase), p. 1070.

<sup>49</sup> Page 399.

that those concerned in the Miami Bank were secretly engaged in purchasing up its notes at a very large discount though, as it was also thought, the bank was able to meet its engagements, under a careful management. "If such things have not happened at Cincinnati," proceeds the writer, "they have happened at other places and there is no sort of novelty in them." The bills of the bank alluded to were worth about 25 cents on the dollar in Baltimore.

The same article states that the inhabitants of Springfield, Hamilton County, Ohio, had just held a meeting at which they charged the non-specie paying banks with a design to depreciate their own paper for the purpose of buying it up at very reduced rates.<sup>50</sup>

At the meeting referred to above, resolutions were adopted "to desist from the use of any paper of banks that refuse to discharge promptly the obligations specified on the face of the note," and inviting the people of the Miami country to adopt similar resolutions, for too much forbearance had been indulged in towards the delinquent banks.

On February 18, 1820 an act was passed by the legislature to enforce payment by banks. It also prohibited the issuing of bills payable at a future date.<sup>51</sup> On February 22, 1821, February 22, 1822, and January 28, 1824 acts were passed to facilitate the collection of debts against banks. The last reinforced the prohibition of bills payable at a future date.<sup>52</sup> The very number of these laws evidences their futility.

The act of February 8, 1819, which taxed the branches of the United States Bank in Ohio,<sup>53</sup> was entitled,—"An Act to levy and collect a tax from all banks and individuals, and companies, and associations of individuals, that may transact business in this state without being authorized to do so by the laws thereof."<sup>54</sup> Besides laying a tax on the United States Bank

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<sup>50</sup> Niles' Register, July 29, 1820, p. 399.

See also Liberty Hall and Cincinnati Gazette, July 1, 1820.

<sup>51</sup> History of Banking—Knox, p. 671.

<sup>52</sup> Ibid.

<sup>53</sup> See page 317.

<sup>54</sup> Laws of Ohio, Vol. XVII, (1819), p. 190.

branches in the state, this act goes on to say, — "Whereas divers companies and associations of individuals within this state, unauthorized by law, continue in like manner, to do business as bankers and banks, by loaning money and issuing bills, and by trading in notes and bills; and whereas it is just and necessary that such unlawful banking, while continued, should be subject to the payment of a tax for the support of the government." It then provides for a tax of \$10,000 on such banks.<sup>55</sup> Having failed to abolish unauthorized banks the legislature evidently thought the next best thing would be to get some revenue from them.

The foregoing is interesting, too, on account of the evidence it affords that the hostility against the United States Bank was not at first due wholly to its curtailments nor to its discipline of state banks, but largely to jealousy of it as a foreign institution present without the authority or will of the state, and paying no taxes.<sup>56</sup>

**Specie drained from Ohio by the United States Bank.** — The hostility against the United States Bank was increased by the draining of specie from the state through its financial operations. Cincinnati papers were complaining of the scarcity of specie early in November, 1818.<sup>57</sup> A week later it was stated that two wagons loaded with specie from the branch of the United States Bank at Chillicothe had started for Philadelphia, and it was estimated that this meant from \$120,000 to \$140,000 in specie drawn probably from the state banks of Ohio.<sup>58</sup> Niles' Register of June 26, 1819 says, "It is estimated that \$800,000 in specie have been drawn from Ohio within the last twelve months for the Bank of the United States."<sup>59</sup> Gouge, in commenting on this, remarks, "If this be true the wonder is not that only six or

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<sup>55</sup> Revised Statutes of Ohio, 1833, (Chase), p. 1072. Laws of Ohio, 17:190.

<sup>56</sup> See History of Banking in All Nations, Vol. I, p. 109.

<sup>57</sup> Liberty Hall and Cincinnati Gazette, Nov. 17, 1818.

<sup>58</sup> Ibid., Nov. 24, 1818. See also Niles' Register, June 5, 1819, p. 256.

<sup>59</sup> Page 298.

seven banks in the state paid specie in August, 1819, but that they were not all bankrupt."<sup>60</sup>

**Fall of Prices in Ohio and the West.** — The effect which the sudden withdrawal of specie by the United States Bank and the discrediting of bank paper had on prices in the western country was very distressing. Prices went very low in Ohio and the west generally.<sup>61</sup> "In the early part of 1819 the price of western produce fell so low," says Sumner, "as hardly to pay the transportation to ports whence they were shipped to foreign markets."<sup>62</sup> While land suddenly became practically unsalable.<sup>63</sup>

In November, 1816, wheat was selling at Chillicothe at \$1.50 and corn at 50c per bushel, and people were advised to hold on to their produce as it was likely to go higher yet.<sup>64</sup> In October, 1818, in the same town, wheat was quoted at 75c a bushel.<sup>65</sup> In Dayton, Ohio, January 1, 1817 wheat was \$1. per bushel. In October, 1819, it was selling at 62½c per bushel; while in 1821 and 1822 the price went as low as 20c a bushel. In March, 1822, the Dayton prices were: Flour \$2.50 per barrel, whiskey 12½c per gallon, wheat 20c, rye 25c, and corn 12c per bushel, fresh beef 1 to 3c per pound, butter 5 to 8c per pound, eggs 3 to 5c per dozen, and chickens 50 to 75c per dozen.<sup>66</sup>

A letter from a Cincinnati man, July 26, 1820, quoted in a Steubenville paper states that at a marshal's sale a handsome gig and very valuable horse had sold for \$4, an elegant sideboard for \$3, a fine Brussel's carpet and two Scotch carpets for \$3, etc. The writer adds that a man with a little money could make a fortune by attending marshal's and sheriff's sales.<sup>67</sup> In the fall and winter of 1822 the exports from Cincinnati were valued at very low rates, e. g. — pork 2c a pound, flour \$3 a barrel, and

<sup>60</sup> Journal of Banking, Mar. 30, 1842, p. 320.

<sup>61</sup> A Short History of Banking — Gouge, p. 91.

<sup>62</sup> History of Banking in All Nations, Vol. I, p. 111.

<sup>63</sup> Valley of the Mississippi — Flint, Vol. I, p. 180.

<sup>64</sup> The Scioto Gazette and Fredonian Chronicle, Nov. 28, 1816.

<sup>65</sup> The Supporter (Chillicothe, O.), Oct. 21, 1818.

<sup>66</sup> History of Montgomery County, Ohio, p. 343. (Pub. by W. H. Beers & Co. Chicago. 1882.)

Dayton Watchman, Apr. 9 and June 18, 1822.

<sup>67</sup> Western Herald and Steubenville Gazette, Aug. 19, 1820.

whiskey 14c a gallon.<sup>68</sup> An article in a Portsmouth, Ohio, paper in August, 1821, quotes flour at \$1 per barrel, whiskey at 15c a gallon, sheep and calves at \$1 per head. The writer adds that a bushel and a half of wheat will buy a pound of coffee, a barrel of flour will buy a pound of tea, 12½ barrels will buy a yard of superfine broadcloth, etc., if the farmer will sell his flour, bacon, and whiskey to somebody else and get the cash, but the merchant will not take produce in payment. "This," continues the writer, "is the condition of the western country. This is the prospect of the farmers."<sup>69</sup>

**Debt and Distress in the Mississippi Valley.** — While the staples of the western country were at these low prices the people were deeply in debt to the United States Government, to eastern merchants, to the local banks, and to one another. The sum due to the government on account of land purchases, exceeded \$22,000,000 in the latter part of 1820. The amount due to the Cincinnati branch of the United States Bank was more than \$2,000,000. While the indebtedness of the western people to one another, to the local banks, and to the eastern merchants would be hard to calculate.<sup>70</sup>

Immense quantities of goods brought into the country by the merchants had been sold on credit, and the debtors had nothing with which to pay. All the specie of the country made its way east to pay for the goods imported. Immigration had stopped, and money no longer came into the country from that source. The notes of the banks had all depreciated and many of them were practically worthless. An immense amount of bank paper perished, not in the hands of the speculators and those who had been active in its issue, for they had foreseen the ruin and had passed the spurious paper on before the panic came, but in the hands of farmers and mechanics who had given full value for the money. It would no longer be received in payment of debts. Credit was at an end, and universal distress prevailed.<sup>71</sup>

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<sup>68</sup> Liberty Hall and Cincinnati Gazette, Jan. 21, 1823.

<sup>69</sup> Scioto Telegraph and Lawrence Gazette (Portsmouth, O.), Aug. 25, 1821.

<sup>70</sup> Journal of Banking, (Gouge), March 30, 1842, p. 320.

<sup>71</sup> Valley of the Mississippi — Flint, Vol. I, p. 180.



To relieve the public distress the legislature of Ohio passed a law to prevent property from being sold, unless it would bring a certain amount to be fixed by appraisers. But the law failed to accomplish the desired result. Kentucky adopted the relief system to its fullest extent. Indeed, throughout the Mississippi Valley there was liquidation, and relief measures were the order of the day.<sup>72</sup>

**Report of the Select Bank Committee of the Ohio Legislature.** — In Ohio the suspension of specie payments by the state banks, the depreciation of their paper, and the hard times followed so closely the demand upon the Cincinnati banks for the balances due the United States Branch Bank that in December, 1818, the lower house of the Ohio Legislature appointed a select committee to investigate and report to the legislature the condition of the state banks and the causes of the existing confusion in the currency.

By February, 1819, this committee had made two reports to the legislature, in which they set forth the condition of nearly all the chartered banks in the state,<sup>73</sup> and declared that their investigation led "inevitably to the conclusion, that the establishment and management of the branches of the United States bank within this state, have very largely conduced to the present embarrassment of the circulating medium, and have had a direct effect in producing the recent suspension of specie payments by the state banks."

**Recommendations of the Committee.** — In view of this the committee recommended the propriety of providing by law that if the branches established within the state should remain there and transact business beyond a certain day, a tax should be assessed and collected of \$50,000 annually upon each branch. The committee also recommended that provision be made by law for simplifying legal proceedings in all cases where banks were a party, and for securing the holders of bank notes against

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<sup>72</sup> Journal of Banking, (Gouge), Apr. 13, 1842, p. 320.

History of Banking in All Nations, Vol. I, p. 119.

<sup>73</sup> Ohio House Jour. 1820, p. 415.

Ohio Watchman, Feb. 11, 1819.

Liberty Hall and Cincinnati Gazette, Feb. 2 and Feb. 16, 1819.

impositions by prohibiting all brokerage on bank paper, especially on the part of debtors to and stockholders in banks. The committee further suggested the propriety of providing by law for the appointment of an attorney general whose duty it should be to cause the law against unauthorized banking to be put in force against all that might have infringed its provisions, and to inquire into the condition of those banks which had refused to report.

**Condition of Chartered Banks in Ohio in January 1819. —**

The last suggestion above arose from the fact that one-fifth of the twenty-five chartered banks existing in the state at the end of 1818 refused or neglected to report to the committee. Of the twenty banks which did report the statistics were not complete. Many of the reports made did not state exactly the whole accounts of the banks. Some omitted their real estate; some omitted their accounts with other banks, stating in general terms that their accounts were in their favor; while others omitted to state the shares owned by the state, or the amount of surplus funds and undrawn dividends remaining in the bank.

From these various omissions it was impossible to make the whole accounts of the banks balance, there being a difference of about \$100,000 in the total assets and total liabilities. This difference the committee thought to be against the banks. To supply the defects the committee made use of the state auditor's reports and such other information as was available regarding the chartered banks, with the result that they furnished to the legislature considerable data, which, the committee remarks, "cannot be materially erroneous."

According to these statistics, the paid in capital stock of the twenty banks reporting amounted to about \$1,750,000, while that of the five banks which did not report amounted to about \$600,000, making in all about \$2,350,000 capital for the twenty-five chartered banks in Ohio at the beginning of the year 1819.

The note circulation of the reporting banks amounted to about \$1,166,000 and that of the other five banks the committee judged to be about \$170,000, making the entire issue about \$1,336,000. But the twenty banks reporting held among their assets over \$123,000 of the notes of Ohio banks. If this amount

be deducted from the above total, there remains \$1,213,000 as approximately the circulation of Ohio bank notes at that time. Against this the reporting banks held specie to the amount of nearly \$400,000, and the other chartered banks, according to the committee's estimates, held about \$60,000. Thus the twenty-five banks held about \$460,000 in specie against an outstanding circulation of \$1,213,000, or more than one dollar in specie for every three dollars in circulation. This the committee considered as good a condition as that of the United States Bank itself.

Of the debts due to the United States Bank the reporting banks owed about \$694,000, practically all of which was owed to the Cincinnati and Chillicothe branches, except about \$100,000 which was owed by the Bank of Steubenville probably to the Pittsburg branch. As the whole amount due from the Ohio banks to the Cincinnati and Chillicothe branches on October 3, 1818, amounted to \$974,000, the committee figured that the difference between \$974,000 and the \$694,000 due from the twenty banks reporting, or about \$280,000, represented the amount due the United States Bank from the five chartered banks in Ohio which did not report. Most of this \$280,000 the committee judged, was doubtless due from the Miami Exporting Company.

The deposits of the banks reporting amounted to \$268,000, the United States Bank notes on hand amounted to \$34,000, notes of other banks outside the state \$101,000, real estate \$87,000, while their loans and discounts amounted to \$2,944,000, or a little more than the sum of their capital stock and circulation, but somewhat less than the sum of the capital stock, circulation, and deposits. The total resources of the reporting banks amounted to \$3,983,897, and their total liabilities amounted to \$3,985,530. Further details as to the condition of the banks are shown in the following statement of the situation of the Ohio Banks which reported to the Select Committee of the Legislature in conformity to a resolution passed by the Ohio House of Representatives in December, 1818:



STATEMENT OF CHARTERED BANKS IN OHIO — JANUARY 1819.  
LIABILITIES.

	Name of Bank. *	Total Liabilities.								
		Capital Stock Paid In.	Notes in Circulation.	Debts Due U. S. Bank.	Debts Due Ohio Banks.	Debts Due Other Banks.	Deposits.	Fund to Pay State Bonus.	Credit of Profit and Loss.	Total Liabilities.
Banks Reporting:										
1	Bank of Cincinnati.....	\$216,430	\$230,686	\$105,312	\$13,176	\$1,427	\$17,172	\$1,250	\$33,217	\$798,710
2	F. & M. Bank of Cincinnati.....	154,776	87,000	300,000	9,875	9,000	9,000			550,776
3	Franklin Bank of Columbus.....	51,740	64,404		41,872	10,435	9,855			136,454
4	Bank of Chillicothe.....	347,840	76,377			9,885	6,100			475,974
5	F. & M. Mfg. Bank of Chillicothe.....	99,575	15,672	21,938		5,258	5,448			133,283
6	Z. Canal & Mfg. Co.....	79,125	40,250			5,258	5,448			124,633
7	Urbana Banking Co.....	49,685	93,346			5,448	3,112			148,479
8	Farmers' Bank of Canton.....	33,710	20,393	18,000		4,415	2,000			75,215
9	Belmont Bank of St. C.....	36,740	29,762	33,270		2,000	2,000			70,917
10	Lebanon-Miami Banking Co.....	86,491	31,831	8,729		6	19,873		3,069	153,592
11	Bank of Mt. Pleasant.....	32,175	42,439		55		9,601			84,221
12	Dayton Mfg. Co.....	61,340	96,128		296		10,749	320		189,224
13	Lancaster O. Bank.....	53,745	37,951	8,729			5,258			103,061
14	Commercial Bank of Scioto.....	9,115	4,258				5,258			18,631
15	Bank of Steubenville.....	140,641	36,940	100,000			17,448			205,029
16	Bank of Muskingum.....	37,860	90,745	17,565			15,898			222,009
17	Bank of Hamilton.....	22,707	23,799				16,744			63,250
18	Western Reserve Bank.....	66,333	69,658				30,437			166,428
19	F. & M. Bank of Steubenville.....	51,950	40,704				18,366			114,020
20	Columbiana Bank of New Lisbon.....	56,484	34,285				20,353			111,622
		\$1,751,402	\$1,166,638	\$694,845	\$65,272	\$1,433	\$268,052	\$1,570	\$36,316	\$3,985,530

\* For full names see page 306.  
For location see map, p. 244.  
† Approximately.



STATEMENT OF CHARTERED BANKS IN OHIO — JANUARY 1819 — Concluded.

Name of Bank.*		Capital Stock Paid In.	Notes in Circulation.	Debts Due U. S. Bank.	Debts Due Ohio Banks.	Debts Due Other Banks.	Deposits.	Fund to Pay State Bonus.	Credit of Profit and Loss.	Total Liabilities.
<i>Banks Not Reporting:</i>										
1	Commercial Bank of Lake Erie.....	\$43,797	\$170,000	\$279,155						
2	German Bank of Wooster.....	25,000								
3	Bank of Marietta.....	71,750								
4	Bank of West Union.....	80,000								
5	Miami Exporting Co.....	379,178								
		509,725								
	Total .....	\$2,351,127	\$1,326,638	\$974,000	\$65,272	\$1,433	\$268,052	\$1,570	\$36,316	\$3,985,530

\* Probably due chiefly from the Miami Exporting Company.  
 \* Figures for capital stock paid in taken from table on page

**The Ratio of Circulation to Capital, and the Proportion of Capital, Circulation, and Deposits to Specie.** — A computation based on the foregoing figures for the twenty banks which reported shows an average ratio of 67c of circulation to each dollar of capital stock paid in, \$4.38 of capital stock paid in to each dollar of specie on hand, and \$2.92 of circulation to each dollar of specie; while the proportion of circulation and deposits combined is \$3.59 for each dollar of specie on hand. The ratios for the individual banks are shown in the following table:

Name of Bank.	Proportion of			
	Circulation to capital.	Capital stock to specie.	Circulation and deposits to specie.	Circulation to specie.
1. Bank of Cincinnati.....	1.07	9.97	12.80	10.63
2. Farmers' and Mechanics' Bank of Cincinnati .....	.56	5.95	3.31	3.35
3. Franklin Bank of Columbus.....	1.24	2.07	2.99	2.57
4. Bank of Chillicothe.....	.22	4.53	1.11	.99
5. Farmers' and Mechanics' Manufacturing Bank of Chillicothe.....	.16	16.96	3.71	2.67
6. Zanesville Canal and Manufacturing Company .....	.51	7.48	4.30	3.80
7. Urbana Banking Company.....	1.88	2.57	5.11	4.83
8. Farmers' Bank of Canton.....	.60	17.15	11.96	10.37
9. Belmont Bank of St. Clairsville.....	.81	2.26	2.10	1.83
10. Lebanon Miami Banking Company...	.37	7.80	3.05	2.87
11. Bank of Mt. Pleasant.....	1.32	1.63	2.63	2.15
12. Dayton Manufacturing Company....	1.57	1.70	3.21	2.66
13. Lancaster, Ohio, Bank.....	.71	1.84	1.67	1.30
14. Commercial Bank of Scioto.....	.47	2.29	2.38	1.06
15. Bank of Steubenville.....	.26	15.08	5.83	3.96
16. Bank of Muskingum.....	.93	3.56	3.88	3.30
17. Bank of Hamilton.....	1.05	1.45	2.59	1.52
18. Western Reserve Bank.....	1.05	2.44	3.69	2.57
19. Farmers' and Mechanics' Bank of Steubenville .....	.74	5.13	5.51	3.80
20. Columbiana Bank of New Lisbon....	.61	10.47	10.32	6.35
Average for 20 banks reporting..	.67	4.38	3.59	2.92

**The Distribution of Ohio Banks by Counties, and the Proportion of Capital to Population, January 1819.**—In January 1819 the twenty-five chartered banks of Ohio were located in nineteen of the fifty-nine counties of the state. Three of the banks were located in Hamilton County the most populous county of the state, the county which contains Cincinnati; three more banks were found in Jefferson County, where Steubenville is located; two in Ross County, where Chillicothe is the principal town; and two more in Muskingum County, where Zanesville is located. The remaining fifteen banks were scattered throughout as many counties, one to a county. While less than a third of the counties of the state possessed a chartered bank, yet these nineteen counties contained a little over half the population of the state.

The \$2,351,127 of capital stock also was fairly well distributed in proportion to the 581,295 inhabitants of the state, the nineteen counties containing banks having \$7.977 of banking capital per inhabitant, and the entire state \$4.045 per inhabitant. The counties having the largest ratio of capital to population were,—Hamilton with \$23.624 per inhabitant, Ross with \$21.699, Jefferson with \$12.291, and Muskingum with \$9.921.

Further details are shown in the following table:

## DISTRIBUTION OF BANKS AND CAPITAL IN OHIO, JANUARY 1819.

Name of Bank.*	County.	Population in 1820.	No. of Banks.	Capital Stock.	
				Paid in.	Per Capita.
Bank of West Union.....	Adams .....	10,406	1	<sup>77</sup> \$80,000	\$7.688
Belmont B. of St. Clairsville	Belmont .....	20,329	1	36,740	1.807
Bank of Hamilton.....	Butler .....	21,746	1	22,707	1.044
Urbana Banking Company.	Champaign .....	8,479	1	49,685	5.861
Columbiana Bank of New Lisbon .....	Columbiana .....	22,033	1	56,484	2.564
Commercial Bank of Lake Erie .....	Cuyahoga .....	6,328	1	<sup>78</sup> 43,797	6.921
Lancaster, Ohio, Bank.....	Fairfield .....	16,633	1	53,745	3.231
Franklin Bank of Columbus.	Franklin .....	10,172	1	51,740	5.087
Bank of Cincinnati.....				216,430	
Farmers' & Mechanics' Bank of Cincinnati .....	Hamilton .....	31,764	3	154,776	23.624
Miami Exporting Company..				<sup>79</sup> 379,178	
Bank of Mt. Pleasant.....	Jefferson .....	18,531	3	32,175	12.291
Bank of Steubenville.....				140,641	
Farmers' & Mechanics' Bank of Steubenville .....	Montgomery .....	15,999	1	54,950	3.834
Dayton Manufacturing Co..				61,340	
Zanesville Canal & Manufacturing Co. ....	Muskingum .....	17,824	2	79,125	9.921
Bank of Muskingum.....				97,800	
Bank of Chillicothe.....	Ross .....	20,619	2	347,840	21.699
Farmers' & Mechanics' Manufacturing Bank of Chillicothe .....				99,575	
Commercial Bank of Scioto.	Scioto .....	5,750	1	9,115	1.585
Farmers' Bank of Canton...	Stark .....	12,406	1	33,710	2.717
Western Reserve Bank.....	Trumbull .....	15,542	1	66,333	4.268
Lebanon-Miami Banking Co.	Warren .....	17,837	1	86,491	4.849
Bank of Marietta.....	Washington .....	10,425	1	<sup>80</sup> 71,750	6.882
German Bank of Wooster..	Wayne .....	11,933	1	<sup>81</sup> 25,000	2.095
Total for 19 counties..		294,756	25	\$2,351,127	\$7.977
Total for State (59 counties) .....		551,295	25	2,351,127	4.045

\* For location of towns, see map. p. 244.

<sup>77</sup> Amount reported in Gouge's Journal of Banking of June 22, 1842, page 403.<sup>78</sup> Amount paid in according to Auditor of State's Report of Jan. 3, 1832. House Journal 1832, p. 155.<sup>79</sup> Amount paid in according to statement of May 11, 1821, published in Liberty Hall and Cin. Gaz. May 12, 1821.<sup>80</sup> Amount given in statement by Secretary of Treasury, Levy Woodbury, Jan. 5, 1836. H. R. Doc. No. 42. 24th Cong. 1st Sess. p. 78.<sup>81</sup> Amount given in Gallatin's "Considerations on the Currency and Banking Systems of the United States," p. 105.

The proportion of banking capital to population would of course be much increased if statistics of the unauthorized banks were available. The following shows the condition of one of the best of the latter early in 1819:

STATEMENT OF BANK OF JOHN H. PIATT AND CO., CINCINNATI.<sup>82</sup>

RESOURCES:

Real estate .....	\$87,994 00
Bills receivable .....	174,452 14
Drafts on New Orleans.....	68,368 68
Drafts on sundry places and cash on hand.....	49,096 72
Due from individuals.....	17,852 61
Advanced on the steamboat Gen. Pike.....	14,600 00
	<hr/>
	\$412,364 15

LIABILITIES:

Notes in circulation.....	\$242,783 00
Drafts or bills payable.....	64,514 00
Due depositors .....	19,637 28
	<hr/>
	\$326,934 28
Balance in favor bank.....	85,429 87
	<hr/>
	\$412,364 15
Secured by J. H. Piatt's estate valued at.....	626,302 35

It is impossible to tell from the above statement how much specie is held, but it is evident that it is less than \$50,000, and probably much less. While against this are circulating more than \$240,000 worth of notes and standing nearly \$20,000 worth of deposits. In other words the immediate demand liabilities are over five times the cash on hand! It is therefore, not surprising to see in an issue of the *Watchman* for April 15, a month later, the announcement that the paper of J. H. Piatt is touched with a trembling hand and that some shave it as high as 12½. A year later the same paper quotes these notes as not received in Dayton even at a discount of 75%.<sup>83</sup>

**Depreciation of Ohio Bank Notes.**—The unauthorized banks were not the only ones, however, whose notes were greatly depreciated. The notes of the Bank of Cincinnati were as bad as those of the Piatt bank,<sup>84</sup> and those of several other author-

<sup>82</sup> Liberty Hall and Cincinnati Gazette, Mar. 2, 1819.

Ohio Watchman (Dayton), Mar. 11, 1819.

<sup>83</sup> Ohio Watchman (Dayton), June 20, 1820.

<sup>84</sup> Ohio Watchman (Dayton), June 20, 1820.



ized banks were but little better. The Ohio Watchman of April 1, 1819, says that the stockholders of the Belmont Bank had unanimously agreed that the concerns of that company be closed.

By the middle of May several of the banks were reported to have resumed specie payment, and it was said that their bills would then be received in payment for public lands.<sup>85</sup> But in August of that year only six or seven of the twenty-five chartered banks of the state were paying specie; the others redeemed their own notes with the notes of other banks or did not trouble themselves about redeeming at all.<sup>86</sup>

The following table taken from the Detroit Gazette in November 1819 indicates somewhat, the condition of Ohio bank notes at that time.<sup>87</sup>

CLASSIFICATION OF OHIO BANK NOTES, NOVEMBER, 1819.

1. Bank of Cincinnati.	}	Good.
2. Bank of Lancaster.		
3. Bank of Steubenville.		
4. Farmers' and Mechanics' Bank of Scioto.		
5. Bank of Marietta.		
6. Western Reserve Bank.		
7. Bank of Mt. Pleasant.		
8. Bank of West Union.	}	Decent.
9. Farmers', Mechanics', and Manufacturers' Bank of Cincinnati.		
10. Bank of Columbus.		
11. Bank of Dayton.		
12. Lebanon Miami Banking Company.	}	Middling.
13. Zanesville Canal and Manufacturing Co.		
14. Bank of Urbana.		
15. Bank of Muskingum.		

<sup>85</sup> Niles' Register, May 8, 1819, p. 179. Also June 5, 1819, p. 256.

Ohio Watchman, May 20, 1819.

<sup>86</sup> Niles' Register August 14, 1819, p. 405. Also August 28, 1819, p. 434.

History of Banking in All Nations, Vol. I, p. 152.

<sup>87</sup> Niles' Register, Vol. XVII, p. 186, (Nov. 20, 1819).

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|---|---------------------|
| 16. Miami Exporting Company.                    | } Good for nothing. |
| 17. Piatt's Bank.                               |                     |
| 18. Bank of Cincinnati.                         |                     |
| 19. Farmers' and Mechanics' Bank of Cincinnati. |                     |

**Specie Paying Banks of Ohio in 1820.** — In May 1820 the following banks in Ohio were said to be paying specie for their notes: Chillicothe, Lancaster, Marietta, Belmont, Mt. Pleasant, Western Reserve, and two banks at Steubenville. The notes of the rest were generally at 70 to 75% discount. Some of the notes of the Bank of Columbus were sold at that rate in the town of Columbus itself about that time.<sup>88</sup> In September the situation had not materially changed. At that time it was said that the notes of the Banks of Chillicothe and Lancaster were the only ones in the state taken at the Zanesville land office.<sup>89</sup>

There was a general impression prevailing that the banks had specie enough to redeem their notes but refused to do so for fear of emptying their vaults and causing them to close up business.<sup>90</sup> The non-specie paying banks were frequently charged with the practice of depreciating their own notes for the purpose of buying them up at very reduced rates.<sup>91</sup> In many cases, banks whose notes were greatly depreciated continued to pay dividends. Thus the Bank of Cincinnati in May, 1819, had declared a dividend of 4% on its capital for the preceding half year.<sup>92</sup> And Niles' Register of June 2, 1821 reports that the Columbiana Bank of New Lisbon, whose notes were quoted in the state at 33% below par, had just declared a dividend of profits for the preceding six months.<sup>93</sup>

All these things aroused a good deal of ill-feeling against the State banks. But this was slight compared with the hatred that existed against the United States Bank, which was looked upon by the people as the chief cause of the panic, the deprecia-

<sup>88</sup> Niles' Register, Vol. XVIII, p. 224, (May 20, 1820).

<sup>89</sup> Ohio Watchman, Sept. 4, 1820 and Sept. 5, 1820.

<sup>90</sup> Ohio Watchman, July 11, 1820.

<sup>91</sup> Niles' Register, Vol. XVIII, (July 29, 1820), p. 399.

<sup>92</sup> Inquisitor and Cincinnati Advertiser, June 15, 1819.

<sup>93</sup> Niles' Register, Vol. XX, p. 224.

tion of state bank notes, and the resulting stagnation and distress which continued through 1820. One of the dominating features of that period in Ohio was the war which the legislature, backed by the people, was carrying on against the branches of the United States Bank in the state.

## CHAPTER IV.

### THE ATTEMPT TO TAX THE BRANCHES OF THE UNITED STATES BANK.

**Early State Opposition to the Bank.** — From its very beginning the Second Bank of the United States had met with opposition from the states and the state banks. The Indiana constitution of 1816 prohibited the establishment of the branch of any bank chartered outside the state.<sup>1</sup> Taxes on the branches of the United States Bank were laid in one state after another: Maryland led off in February, 1817, with a tax of \$15,000 a year on the Baltimore office; Tennessee followed in November of that year with a tax of \$50,000 on any bank established in that state under any but a Tennessee charter; and in December of the same year Georgia provided for a tax of 31.25c on every \$100 of bank stock employed within the state, a resolution of the legislature later declaring that this tax was intended to apply only to the branches of the United States Bank.<sup>2</sup>

When the panic of 1818-19 occurred, precipitated, as explained in Chapter III, by the sudden curtailments of the United States Bank, the popular wrath at once fell upon the bank. The constitution of Illinois framed in August 1818, prohibited the existence of any state banks within the state.<sup>3</sup> On November 30, 1818, resolutions were adopted in the lower house of Congress demanding an investigation of the bank by a committee of the House.<sup>4</sup> This committee later reported severely criticizing the bank's management.<sup>5</sup> In December, 1818, North Carolina laid a yearly tax of \$5,000 upon the Fayetteville branch.<sup>6</sup> Then

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<sup>1</sup> Charters and Constitutions — Ben Perley Poore, Vol. I, p. 509.

<sup>2</sup> The Second Bank of the United States — Catterall, pp. 64 and 65.

<sup>3</sup> Charters and Constitutions — Poore, Vol. I, p. 447.

<sup>4</sup> Annals of Congress, 15th Congress, 2nd Session, Part I, p. 335.

<sup>5</sup> Ibid., p. 552. (Jan. 16, 1819).

<sup>6</sup> Niles' Register, Vol. XV, p. 367.

in January, 1819, Kentucky imposed the largest tax of all, compelling each of the branches in the state to pay annually \$60,000.<sup>7</sup>

Thus the Ohio legislature, which followed Kentucky's example within a month had several precedents for taxing the bank. Moreover, the same thing was strongly advocated in the Pennsylvania legislature, which in 1819 petitioned Congress to take steps towards amending the constitution so as to confine national banks to the District of Columbia.<sup>8</sup> The question of taxing the branches of the bank was debated also in the legislatures of Virginia<sup>9</sup> and South Carolina;<sup>10</sup> and DeWitt Clinton, then governor of New York, urged action upon the legislature of that state.<sup>11</sup> "It was only the decisions of the Supreme Court in the cases of *McCulloch vs. Maryland* and *Osborn vs. the Bank of the United States*," says Catterall, "which saved the bank. Had it lost either of these cases, there can be no doubt that it would soon have been taxed out of existence in all of the southern and western states."<sup>12</sup>

**Report of the Joint Committee of the Ohio Legislature on the Expediency of Taxing the Branches of the United States Bank.**—As stated in a preceding chapter, the ill-feeling in Ohio against the establishing of branches of the United States Bank in the state brought forth a resolution of the legislature, as early as December 1817, calling for a report on the expediency of taxing those branches.<sup>13</sup> This resulted in a joint committee of the two houses of the legislature, whose report, made December 27, 1817,<sup>14</sup> discusses the reasons for and against taxing and declares the bank to be "as subject to a tax as any corporate body could be, if acting under the authority of this state" but concludes that "it would still be impolitic in the legislature of this state being one of the youngest and most highly

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<sup>7</sup> Second Bank of the United States — Catterall, p. 65.

<sup>8</sup> *Ibid.*

<sup>9</sup> Niles' Register, Vol. XIV, p. 23, note.

<sup>10</sup> Niles' Register, Vol. XV, pp. 289 and 290.

<sup>11</sup> Second Bank of the United States — Catterall, p. 65.

<sup>12</sup> Second Bank of the United States — Catterall, p. 65.

<sup>13</sup> See Chapter II, p. 284.

<sup>14</sup> Ohio House Journal, 1818, p. 144.



avored in the Union to be among the first to contravene the acts of the general government." The report, therefore, concludes that it would be inexpedient at the time to lay such a tax.

**Substitute Report Adopted by the Ohio House of Representatives.** — The House, however, rejected this report and on January 19, 1818, adopted a substitute report,<sup>15</sup> the substance of which is as follows: "The states that compose the American Union are independent sovereign states"; their power "to impose taxes is limited by the constitution of the United States." "It is conceded that congress has power to incorporate a bank;" but "the law establishing this bank..... attempts not to confer upon the stock of the company any exemption from taxation, either by the state or by the United States."

"The government of the United States is most clearly but an individual member of this association," in which "the funds of the stranger, the alien and American, the individual and the government are mingled in one common mass and employed for the benefit of all its members..... The constitution of the United States has defined the subjects on which the state sovereignties shall not levy taxes. By the doctrines now set up congress may extend this prohibition at pleasure. They have only to incorporate a company to merchandise and manufacture and become a partner in the trade, and the funds and the business are at once privileged from the profane touch of state legislation."

The United States Bank will control the public funds, and "the value their paper will acquire in the market must enable them to monopolize the commercial business of the country and destroy at their pleasure the credit of our own banks. Their paper will be hoarded and applied to the payment of our foreign debts, instead of obtaining general circulation; and for their discounts for public dues, and in the payment of debts, they will necessarily drain the specie from the vaults of the state banks."

"Whenever the exports of the country are equal to its imports the complaint of a depreciated paper currency will cease.

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<sup>15</sup> *Ibid.*, p. 307.

The means by which our debts are changed are nothing but expedients. It is only by liquidating them, that the country can be finally relieved. The discount on Ohio paper in the Atlantic cities is in fact an advantage to the country. It induces the merchant to invest it in produce at home, and seek a market for that produce abroad. It operates as a premium in favor of exportation, and serves greatly to stimulate industry and enterprise. Its natural tendency is to keep money in the country, and send out produce, thus reducing the consumption of foreign articles within a just and proper boundary and checking the propensity to engage in the trade of importation." As a result of the establishing of branches of the United States Bank the merchant "will export produce only as a prospect of great profit is offered to him."

When this report came to a vote, the House voted 48 to 12 that it would be constitutional to tax the branches of the United States Bank within the state, and by a vote of 33 to 27 declared that it was expedient then to do so.<sup>16</sup> But when the bill imposing such a tax was read, final action upon it was postponed until the next session of the legislature in December 1818.<sup>17</sup>

**Hostility to the Bank Increases in 1818.** — Meanwhile the United States Bank, instead of heeding the warning and leaving the state, opened the second branch in Ohio at Chillicothe early in 1818, and in July increased its offences by suddenly ordering the Cincinnati branch to collect at the rate of 20% a month the large balances due from the local banks, thus precipitating the panic, causing the Cincinnati banks to suspend in November 1818, and bringing disaster and ruin upon the people.<sup>18</sup> Consequently when the Ohio legislature came together again in December 1818, the hostility against the United States Bank, which had been keen the previous winter, was vastly augmented.

Governor Brown, in his message of December 16, 1818, recalls the fact that the two branches of the bank had been established within the state without leave, but, after speaking of the different positions which congress at various times had

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<sup>16</sup> Ohio House Journal, 1818, p. 308.

<sup>17</sup> History of the United States — McMaster, Vol. IV, p. 498.

<sup>18</sup> See Chapter III, pp. 290 and 291.

taken as to the legality of the bank, advises that while the question remains dubious, the state should leave the branches undisturbed, "rather than risk any collision with the general government or hazard the reputation of the state; keeping a watchful eye to prevent as far as possible, the abuse of what threatens to become an almost overwhelming influence." He adds, however, that while the state banks are taxed, "there appears no evident reason why those branches should be exempt. Their exemption would be a partiality unjust to the local banks."<sup>19</sup>

**Ohio enacts a Law taxing the Branches of the Bank in the State.**— Acting upon the suggestion contained in the governor's message the legislature on Feb. 8, 1819 laid the long threatened tax, passing an act "to levy and collect a tax from all banks and individuals and companies, and associations of individuals, that may transact banking business in this state without being authorized to do so by the laws thereof."<sup>20</sup> This law imposed a tax of \$10,000 a year upon individual banking companies not authorized by the state, and a tax of \$50,000 a year upon each branch of the United States Bank within the state if they continued business after September 15, 1819. Upon this date the state auditor was required to issue his warrant for the collection of the tax if the branches were still doing business in the state, and if the bank refused to pay, the auditor was authorized to levy on all money, bank notes, or other goods of the bank.

**The Case of McCulloch vs. Maryland.**— This law was passed with great deliberation and by a full vote, and public sentiment throughout the state supported the legislature in its action.<sup>21</sup> A few weeks later, however, the decision in the famous case of *McCulloch vs. Maryland* was handed down by the U. S. Supreme Court, Chief Justice Marshall delivering the opinion on March 7, 1819.<sup>22</sup> This decided that Congress has the power to incorporate a bank,<sup>23</sup> that the bank had power to establish

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<sup>19</sup> Niles' Register, Vol. XV. Supplement, p. 92.

<sup>20</sup> Laws of Ohio, Vol. XVII, (1819), p. 190.

<sup>21</sup> Bankers' Magazine, Vol. IX, p. 4.

<sup>22</sup> 4 Wheaton 401.

<sup>23</sup> Ibid., 424.

branches in the states without their consent,<sup>24</sup> and that the states had no right to tax them.<sup>25</sup> In view of this decision the branches of the bank in Ohio naturally continued their operations.

**The State forcibly Collects the Tax from the Chillicothe Branch.** — The state law requiring the auditor to collect the tax on September 15 if the bank continued its operations at that time, was mandatory, however, and as the branches of the bank did not suspend their operations the state auditor, Ralph Osborn, prepared to collect the tax. To prevent this the bank filed a Bill in Chancery in the U. S. Circuit Court asking an injunction to restrain the auditor from proceeding to collect the tax. A copy of this bill with a subpoena to answer was served on the Auditor.<sup>26</sup> The latter upon legal advice refused to appear on the day named in the writ, and the court allowed an injunction,<sup>27</sup> but required \$100,000 bond of the bank, which was given.

As the day for collection approached the bank sent an agent to Columbus who, early on the morning of September 15, served on the Auditor a copy of the petition for an injunction and a subpoena to appear before the court at a subsequent date.<sup>28</sup> But as he had no copy of the writ of injunction which had been allowed, the auditor sent to the secretary of state the copy of the petition and the subpoena together with a warrant for collecting the tax, asking the secretary, who was then at Chillicothe, to take legal advice, and if the papers did not amount to an injunction, to have the warrant executed, but if they did to return it.

The counsel advised that the papers did not amount to an injunction; and, therefore, the state writ was given to the sheriff, John L. Harper, with instructions to enter the banking house and

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<sup>24</sup> 4 Wheaton 425.

<sup>25</sup> *Ibid.*, 437.

<sup>26</sup> *Hist. of U. S.* — McMaster, Vol. IV, p. 498.

*Niles' Register*, Vol. XVII, p. 86.

<sup>27</sup> Wheaton 738.

<sup>28</sup> The writ of injunction was not issued until Sept. 18.

<sup>29</sup> Wheaton 741.

<sup>28</sup> *Ibid.*

demand payment of the tax, and upon refusal thereof to enter the vault and levy the amount required. The officer was directed to use no violence, but if he was opposed by force to go at once before a proper magistrate and depose to the fact. So the officer taking with him a horse and wagon and competent assistants went to the bank on the evening of September 17 and, first securing access to the vaults, demanded the tax. Payment was of course refused and notice given of the injunction which had been granted. But the officer disregarding this notice entered the vault and seized in gold, silver, and bank notes, sufficient funds to cover the amount of the tax on both branches \$100,000. This was carried in the wagon to the Bank of Chillicothe and deposited there over night.<sup>29</sup>

The next day another writ was issued by the court against the auditor, Osborn, and Harper, restraining them from paying over the money or making report of its collection to the legislature. Harper was on his way to Columbus with the money in the wagon when served with this writ.<sup>30</sup> It was also served on Osborn before Harper reached Columbus. The writ was disregarded, however, and though no part of the money ever came into Osborn's hands, Harper retained \$2,000 for fees and paid the balance \$98,000 over to the state treasurer H. M. Curry,<sup>31</sup> who received it but kept it separate from the other state funds.<sup>32</sup>

**Arrest and Trial of State Officials concerned in Collecting the Tax.** — The United States Bank immediately instituted suits against Osborn and others for contempt, for trespass, and to recover the money seized.<sup>33</sup> Harper and Thomas Orr who

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<sup>29</sup> Bankers' Magazine, Vol. IX, p. 4.

Auditor of State's Report, Dec. 5, 1821.

<sup>9</sup> Wheaton 835.

<sup>30</sup> 9 Wheaton 741.

Ohio Sen. Jour., 1822, p. 54.

<sup>31</sup> History of the United States — McMaster, Vol. IV, p. 499.

<sup>32</sup> Report of State Treas. Sam'l Sullivan, Dec. 4, 1820.

Laws of Ohio, Vol. XIX, (1821).

<sup>33</sup> Second Bank of the United States — Catterall, p. 90.



aided him were arrested by a deputy marshal and imprisoned.<sup>34</sup> They were afterwards discharged, however, by the circuit court at the trial in January 1820, the arrest said to have been illegal owing to a technicality. On January 7, 1820, the auditor, Ralph Osborn, was served with a notice that the U. S. Circuit Court had granted a rule against him and John L. Harper to show cause why an attachment should not issue against them for contempt of court in disregarding the injunction. The case was continued until the September 1820 term of court, when Judge Todd ordered the attachment to issue returnable on the first day of the January term of the court in 1821.<sup>35</sup> The court also, at the September term, ordered the \$98,000 stayed in the state treasury in the hands of Samuel Sullivan, who had succeeded Curry as state treasurer on February 17, 1820.<sup>36</sup> An attachment for contempt was also awarded against Sullivan and he failing to answer was taken into custody by the marshal of the district and placed in confinement until the case was appealed to the Supreme Court in 1821.<sup>37</sup>

**Excitement over the Affair.** — Meanwhile excitement ran high over the matter, not only in Ohio but throughout the country generally. And both sides of the controversy found plenty of advocates. The president of the U. S. Bank, Cheves, was furious. "The outrage," he asserted in a letter to Secretary Crawford September 20, 1819, "..... can be rarely paralleled under a government of law, and, if sustained by the higher authorities of the State strikes at the vitals of the Constitution."<sup>38</sup> The governor of Ohio did all in his power to have the money restored, even offering to give security for it, but he could accomplish nothing. He declared, "I view the transaction in the

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<sup>34</sup> Orr afterwards claimed damages from the state for this confinement, and a legislative committee reported Feb. 20, 1824 that they considered his claim just and recommended that he be allowed \$100 and costs. — *Ohio Senate Jour.*, 1824, p. 301.

<sup>35</sup> State Auditor's Report of Dec. 5, 1820. — *Ohio House Jour.*, 1821, p. 46. Also *History of U. S.* — McMaster, Vol. IV, p. 500.

<sup>36</sup> 9 Wheaton 742.

<sup>37</sup> State Auditor's report of December 5, 1821. — *Ohio Senate Journal*, 1822, p. 53.

<sup>38</sup> *Second Bank of the United States* — Catterall, p. 89.

most odious light, and from my very soul I detest it. . . . . I am ashamed it has happened in Ohio."<sup>39</sup> The Inquisitor and Cincinnati Advertiser of October 19, 1819 printed numerous extracts from other papers regretting that Ohio in defiance of the U. S. Constitution had entered the vaults of the branch bank at Chillicothe and taken therefrom nearly \$100,000. Another Cincinnati paper commenting on the affair about the same time remarks that it "appears to have created as much consternation as if it had been an overt act of treason or rebellion," but adds, "If the general government can create a monied institution, in the very bosom of the states, paramount to their laws, then indeed is state sovereignty a mere name, 'full of sound and fury, signifying nothing.'"<sup>40</sup> In general, public opinion in Ohio at the time supported the state officials for enforcing the state law against the bank.

**Ohio Elections in Fall of 1819 influenced by the Bank Fight.** — The elections in Ohio that fall were along the lines of the United States Bank fight. One candidate for the State Senate and one for the House came forth with a parody entitled the "Declaration of Independence against the United States Bank," in which the bank was charged with "having quartered large bodies of armed brokers among them," etc. This, in conclusion, proclaimed that "all connection between the people of Ohio and the branch banks ought to be dissolved, and that as a free and independent state we have full power to levy a tax upon all banks within our jurisdiction of whatsoever denomination and by whomsoever established," etc.<sup>41</sup>

General Harrison, a candidate for state senator from the Cincinnati district declared himself the enemy of banks in general and especially of the United States Bank, which he said he viewed as an institution "which may be converted into an immense political engine to strengthen the arm of the general government and which may at some future day be used to oppress and break down the state governments." Yet of the Ohio act he said, "Is it not a shoot that has sprung from its far famed

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<sup>39</sup> History of Banking in All Nations, Vol. I, p. 153.

<sup>40</sup> Liberty Hall and Cincinnati Gazette, Oct. 5, 1819.

<sup>41</sup> Niles' Register, Oct. 30, 1819, p. 139.

Boston opposition, and been matured in the foul mine of the Hartford Convention?"<sup>42</sup> He was elected.

**Hard Times increase Hostility to the Bank.**—The hard times then prevalent, too, added to the feeling against the United State Bank. All the fine visions of the speculators, the paper-money men, the bank men, had vanished. Bankruptcy and debt were every where. Stay laws, replevin laws, indorsement laws, relief laws of every sort were the order of the day. Nothing was so hateful just then as a bank, and above all the Bank of the United States.<sup>43</sup> In liquidation of debts in 1818-19 the United States Bank had been forced to accept a great deal of western real estate, which was taken at low valuations but afterwards increased greatly in value owing largely to the rapid growth of Cincinnati. On account of these real estate acquisitions, the bank came to own a large part of Cincinnati. Hotels, coffee-houses, stores, stables, warehouses, iron-foundries, residences, and vacant lots were numbered among the bank's holdings. It also owned over 50,000 acres of good farm land in Ohio and Kentucky. These possessions of course maddened their former owners.<sup>44</sup>

**Report of the Special Committee of the Ohio Legislature.**—When the Ohio legislature met in December 1820 the feeling against the United States Bank was at its height. The report of the state auditor, December 5, 1820, in regard to the collection of the tax from the branches of the bank was, upon motion of Mr. Hammond of the House, referred to a joint committee and an investigation was begun.<sup>45</sup>

This special committee made its report on December 12, 1820. This report occupies 33 pages of the House Journal.<sup>46</sup>

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<sup>42</sup> Ibid.

<sup>43</sup> See article by J. B. McMaster in *The Forum* for April 1895, p. 167.

<sup>44</sup> Sen. Doc. No. 98, 22nd Congress, 1st Session, pp. 22-36.

Second Bank of the U. S.—Catterall, pp. 66 and 67.

<sup>45</sup> Ohio House Journal, 1821, p. 47.

<sup>46</sup> Ohio House Journal, 1821, pp. 99 to 132.

In discussing the litigation against the Ohio Life Insurance and Trust Co., in his report of 1852-3, the auditor of state, Wm. D. Morgan, refers to the Charles Hammond report as "the ablest state paper probably to be found in our legislative records."

Mr. Hammond, chairman of the committee, recites the main facts of the proceedings and adds, "In everything but the name the state is the actual defendant."<sup>47</sup> The Supreme Court had decided that a state law taxing the branches of the United States Bank was unconstitutional.<sup>48</sup> As to this Mr. Hammond proceeds, "The committee are aware of the doctrine that the federal courts are exclusively vested with jurisdiction to declare, in the last resort, the true interpretation of the Constitution of the United States. To this doctrine, in the latitude contended for, they can never give assent." They contended that the Federal courts are not the sole expositors of the Constitution but share that power with the states themselves, holding that the question had been settled by an authority from which there can be no appeal—the authority of the people themselves.

As an instance of this they maintained that as early as 1798 the passage of the Alien and Sedition Laws, and certain decisions of the Federal Courts recognizing the obligatory force of the common law, made an expression of popular opinion on this question necessary, and that such an expression was sent forth by Kentucky and Virginia. These famous resolutions, said the committee, were a direct and constitutional appeal to the States and to the people on the great question at issue, and the appeal was decided in the elections of 1800. For then, proceeds the committee, "The states and the people recognized and affirmed the doctrines of Kentucky and Virginia by effecting a total change in the administration of the federal government."

"The high authority of this precedent," says the committee, "imposes a duty on the state from which it can not shrink without dishonor. So long as one single constitutional effort can be made to save them, the state ought not to surrender its rights to the encroaching pretensions of the circuit court."

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<sup>47</sup> On December 22, 1821, a legislative committee to whom had been referred the governor's message relative to the U. S. Bank case reported recommending a resolution that the legislature protest against the proceedings of the federal court indirectly making the state a defendant as violating the 11th Amendment to the U. S. Constitution.—Ohio Senate Journal, 1822, p. 118.

<sup>48</sup> *McCulloch vs. Maryland* — 4 Wheaton 437.



As to the opinion that the decision in the case of *McCulloch vs. Maryland*,<sup>49</sup> given between the date of the passage of the law and the day it went into effect, made it the duty of Ohio to acquiesce, the committee cited the cases of *Marbury vs. Madison*<sup>50</sup> and *Fletcher vs. Peck*<sup>51</sup> to show that "neither in theory nor in practice is this the necessary consequence of a decision of the Supreme Court," and said, "Are not these two cases evidence that in great questions of political right and political powers a decision of the Supreme Court is not conclusive of the rights decided by it?"

**Recommendations and Resolutions offered by the Committee.** — The committee held that with such examples the state should go on in defiance of the Supreme Court "and ascertain distinctly if the Executive and Legislative departments of the Government of the Union will recognize, sustain, and enforce the doctrine of the Judicial department." As a means of testing this they recommend that the legislature should enact laws making the United States Bank an outlaw in Ohio.

The committee also offered resolutions: approving the doctrines of the Kentucky and Virginia Resolutions of 1798-9; asserting the right of a state to tax private corporations of trade chartered by Congress and doing business within the state; declaring that the United States Bank was a private corporation of trade, the capital and business of which might be legally taxed in any state where they might be found; and protesting against the doctrine that the political rights of the separate states and their powers as sovereign states could be settled by the Supreme Court of the United States in cases between individuals and in which no state was a party direct.<sup>52</sup>

**The Ohio Legislature re-affirms the Kentucky and Virginia Resolutions and Outlaws the United States Bank.** — The suggestions offered by this joint committee met with the approval of both houses, the legislature adopting the resolutions,

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<sup>49</sup> Delivered Mar. 7, 1819 — 4 Wheaton 401.

<sup>50</sup> 1 Cranch 137-180.

<sup>51</sup> 6 Cranch 87-148.

<sup>52</sup> Ohio House Journal, 1821, pp. 99 to 132.

History of the United States — McMaster, Vol. IV, pp. 500 to 503.



which reaffirmed the doctrines of the Kentucky and Virginia Resolutions,<sup>53</sup> and on January 29, 1821 passing an "Act to withdraw from the Bank of the United States the protection and aid of the laws of this state, in certain cases."<sup>54</sup> This law gave the bank the alternative either of consenting to pay 4% of its dividends from its branches in Ohio as a tax to the state, or of withdrawing the offices.<sup>55</sup>

On February 2 of the same year the legislature passed an act providing that the state would return \$90,000 of the \$98,000 seized from the bank and treat its branches like the other banks in the state, if it should give notice to the governor of its willingness to stop the suits against the state officers and to submit to a tax of 4% on its annual dividends, \$2,500 to be collected annually until the bank should report its actual dividends.<sup>56</sup> If the bank should accept these terms, the governor was authorized to suspend the "outlaw" act by proclamation.

But the bank was inflexible. It neither withdrew its branches from the state, nor discontinued its suits against the state officers. On July 9, 1821 the United States Circuit Court for Ohio served the state auditor with a petition and subpoena in chancery, and an injunction enjoining him from levying and collecting the tax of \$2,500 provided for in the law of February 2, 1821.<sup>57</sup> The following September the same court decreed that \$100,000, with interest on \$19,380, the amount of specie held by the state treasurer, should be restored to the bank.<sup>58</sup> The appeal to the Supreme Court was then perfected by the defendants for the \$2000, with the interest and costs, the actual amount turned into the state treasury having been only \$98,000.<sup>59</sup>

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<sup>53</sup> History of the United States—McMaster, Vol. IV, p. 502.

<sup>54</sup> Laws of Ohio XIX, (1821), p. 108.

Revised Statutes of Ohio—Chase, p. 1185.

<sup>55</sup> This act was repealed Jan. 18, 1826—Laws of Ohio, Vol. XXIV, (1826), p. 24. Chase's Rev. Stat., p. 1592.

History of Banking in All Nations, Vol. I, p. 155.

<sup>56</sup> Laws of Ohio, Vol. XIX, (1821), p. 173. Chase's Rev. Stat., p. 1198.

<sup>57</sup> Ohio State Auditor's Report on U. S. Bank Case, Dec. 5, 1821.

<sup>58</sup> 9 Wheaton 744.

<sup>59</sup> Niles Register, Vol. XXI, p. 75. Ohio Senate Jour., 1822, p. 53.

And, since the bank had not discontinued its suits nor withdrawn from the state, the law of January 29, 1821 went into effect. Thus in September 1821, the Bank of the United States became an outlaw in Ohio.

What this meant is well described by Professor McMaster thus: "Every jailor was forbidden to receive into his custody any person committed at the suit of the bank, or for any injury done to it. Every judicial officer was prohibited to take acknowledgment of conveyances when the bank was a party, and every recorder from receiving and entering them. Notaries-public were prevented from protesting bills or notes held by the bank and made payable to it; and justices of the peace, judges, and grand juries could no longer take cognizance of any wrong committed on the property of the bank, though it were burglary, robbery, or arson."<sup>60</sup>

**The Case of Osborn vs. the United States Bank.**—Thus during the pending of the appeal from the circuit court's decision, the bank was deprived for a time of the aid of the state laws in the collection of its debts and in the usual protection of its legal rights. These were extreme measures. But the doctrine of state's rights was still dominant in Ohio. The people of the state looked upon the bank as a foreign corporation organized for profit, doing business within the state against the will of the state, and paying no taxes,—a virtual monopoly within the state yet not subject to state jurisdiction. Why, said they, should the state be expected to protect persons and property over which it had no control, especially when they were not willing to pay anything for such protection?

The controversy between the state and the bank did not end until 1824, when the case of the bank against the state officers, which had been carried up to the Supreme Court of the United States on appeal by the defendants, was finally decided in the famous case of *Osborn vs. the United States Bank*.<sup>61</sup> This case is one of the important ones in the history of the country, as is attested by the large number of court decisions in which it

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<sup>60</sup> The Forum, April 1895. (Article by J. B. McMaster).  
Money and Banking—White, pp. 284 and 285.

<sup>61</sup> 9 Wheaton 738-903.

has been cited. Together with the case of *McCulloch vs. Maryland*, decided five years before, it may be said to have established and defined the law of the national banks as agencies of the federal government, their right to sue and be sued in the federal courts, and their freedom from state taxation.<sup>62</sup>

In this case the state officers were represented by Charles Hammond and others,<sup>63</sup> while such men as Clay, Webster, and Sergeant appeared for the bank.<sup>64</sup> The appellants argued that since in everything but name the state of Ohio was the real defendant, the courts did not have jurisdiction, as the 11th Amendment to the United States Constitution restrained suits against a state by citizens of another state. The court held, however, that the 11th Amendment restraining suits against states is of necessity limited to suits where a state is a party on the record, and that a suit may be maintained to enjoin a state auditor from collecting an unlawful tax, where a state is not made a party on the record, although exclusively interested in the subject-matter of the suit.<sup>65</sup>

The decision in this case also as in the case of *McCulloch vs. Maryland*, denied the right of a state to tax the branches of the United States Bank. The validity of the decision was based on the principle that the bank was not a private corporation for individual trade and profit, but a public corporation created as an instrument for carrying into effect the constitutional powers of the national government. As such, its business of banking and its trade was decided to be exempt from state taxation, although its local property might be taxed,<sup>66</sup> the court holding that all instrumentalities created by Congress, necessary and proper for carrying into effect the powers vested in the national government are free from state control.<sup>67</sup>

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<sup>62</sup> Notes on U. S. Reports — Rose, Vol. II, p. 338.

<sup>63</sup> Hammond's associates were Harper, Brown, and Wright — 9 Wheaton 744 and 804.

<sup>64</sup> Ibid., 795 and 804.

<sup>65</sup> 9 Wheaton 857.

<sup>66</sup> Ibid., 860-867.

<sup>67</sup> Ibid., 865 and 866.

The opinion of the court in the case of *Osborn vs. the United State Bank* was delivered by Chief-Justice John Marshall on March 19, 1824.<sup>68</sup> It affirmed the decree of the circuit court as to the return of the \$98,000 by the state and as to the return of the remaining \$2000 by Osborn and Harper, but held that the lower court was erroneous as to the residue, that interest should not be charged on the money while in the hands of the state treasurer, since the court had enjoined him from using it in any way.<sup>69</sup>

**The People of Ohio submit to the Decision of the Supreme Court.**—By the time this decision had been handed down a reaction had begun in Ohio. The good sense of the plain people had prevailed, notwithstanding the radical declarations of the legislators. The people chose to abide by the decision of the Supreme Court. On January 28, 1826 the law making the Bank of the United States an outlaw in Ohio was erased from the statute books.<sup>70</sup> And the bank unmolested continued to do business in Ohio until the expiration of its charter in 1836.<sup>71</sup>

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<sup>68</sup> 9 Wheaton 816. Justice Johnson dissenting as to jurisdiction.—*Ibid.*, 871.

<sup>69</sup> *Ibid.*, 837 and 871.

<sup>70</sup> Revised Statutes—Chase, p. 1522.

<sup>71</sup> The bill to repeal the "outlaw" act was read the third time in the Senate, Jan. 10, having previously passed the House; but the question for its final passage was postponed in consequence of the production of a letter from the agent of the bank to the recorder of Clermont County threatening the officer with prosecution and ruin, if he should not produce the repeal of the act.—*Niles' Register*, Vol. XXIX (Feb. 4, 1826), p. 369.

Immediately thereafter, however, on March 14, 1836, the legislature passed an act "to prohibit within this state any branch office or agency of the United States Bank as recently chartered by the legislature of Pennsylvania," holding that "the general welfare of this State forbids the establishment within its limits of any such branch.—*Laws of Ohio*, Vol. XXXIV. (1836). p. 37.

This act was repealed Jan. 28, 1838.—*Gen. Laws of Ohio*, Vol. XXXVI. p. 14. But a new law of Jan. 9, 1839, prohibited the establishing in the State of any branch or agency of the United States Bank of Pennsylvania or of any other bank incorporated by another State or by the United States.—*General Laws of Ohio*, Vol. XXXVII, p. 10.

This law remained in force until March 12, 1845.—*General Laws of Ohio*, Vol. XLIII, p. 88.

Professor McMaster, in commenting on the outcome of the United States Bank controversy in Ohio and the similar contest in Kentucky, philosophically remarks: "Both in Kentucky and Ohio the cases were extreme; yet they are striking illustrations of the fact that in this country all questions of great importance are finally settled not by Presidents, nor by Congresses, nor by Legislatures of the States, but by the hard common sense of the people, who in their own good time and way have heretofore adjusted all differences wisely."<sup>72</sup>

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<sup>72</sup> The Forum, April, 1895, Vol. XIX, p. 168.



## CHAPTER V.

### PERIOD OF DEPRESSION AND RECOVERY, 1820-1830.

**Depression and Low Prices in the Early 20's.**— In Ohio the stagnation and distress following the Crisis of 1818-19 continued without relief through 1820 and 1821 and well into 1822. In the latter year some improvement was noticed. Governor Trimble, in his message of December 12, 1822, remarked, "The industry, frugality, and rigid economy so generally observed are gradually relieving the country from embarrassment, and the agricultural, manufacturing, and commercial interests of the State are manifestly improving."<sup>1</sup> The improvement was but slight, however, and did not last long. Prices remained at an extremely low level.<sup>2</sup> Another Ohio governor writing later of these years declares that business and prices were prostrated "without parallel in the history of this country."<sup>3</sup>

In the Miami Country, the best farming section of the state, produce sold at minimum prices in the fall and winter of 1822-23, many of the most important articles not paying the farmer more than a fair compensation for taking them to Cincinnati. Pork was sold in large quantities for from one to two dollars per hundred. And it was generally understood in that section that most kinds of provisions shipped from Cincinnati market that season involved almost all the shippers in loss, and some of them in total bankruptcy and ruin. During the fall and winter of 1823-4 but little over half the provisions were shipped from that market that were the year before.<sup>4</sup> For example, in 1822 over 42,000 barrels of flour were inspected at Cincinnati for export;<sup>5</sup> while in 1823 the quantity amounted to but 27,206

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<sup>1</sup> Liberty Hall and Cincinnati Gazette, Dec. 14, 1822.

<sup>2</sup> See Chapter III, p. 298. Also Niles' Register, Vol. XXI, p. 381.

<sup>3</sup> Governor Shannon's message — Ohio Executive Documents, 1840, No. 1, p. 16.

<sup>4</sup> Liberty Hall and Cincinnati Gazette, May 18, 1824.

<sup>5</sup> Valued at \$3 a barrel. — Ibid., Jan. 21, 1823.

barrels.<sup>6</sup> Niles' Register of October 23, 1824 contains the statement that "Any quantity of corn may be purchased in Cincinnati for 8c per bushel."<sup>7</sup>

In other parts of the state prices were as low or even lower. Thus in Dayton in 1822, flour was \$2.50 a barrel, wheat 20c a bushel, corn 12c, and whiskey 12½c a gallon.<sup>8</sup> In Delaware in 1823 pork was \$2.50 a hundred.<sup>9</sup> In Steubenville in 1823, whiskey was 16c a gallon.<sup>10</sup> In Chillicothe in 1823 wheat was 50c a bushel,<sup>11</sup> while in January 1824 wheat was 50c, corn 20 and 25c, and whiskey 25 and 30c a gallon.<sup>12</sup> Yet Chillicothe had access by river to the New Orleans market.

Thomas Worthington, writing in 1824, says, "Wheat has varied in price for some years back from 25 to 50c. The average price has not for 5 or 6 years back exceeded 37½c."<sup>13</sup> And another writer from central Ohio says in 1825, "Many of the farmers of this county (Licking Co.) are turning their attention to the raising of tobacco—to do which they are absolutely compelled, by the reduced price of wheat, which brings them only 31c per bushel."<sup>14</sup> All over the state the prices of produce were very low.

In fact, while on the seaboard there was bank expansion in 1823 and 24 accompanied or followed by a rise of property and general briskness of business, and the expectation of a grand era of prosperity to follow the new tariff law of 1824, yet in the interior the consequences of the great reaction of 1818-19 were

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<sup>6</sup> Cincinnati Daily Gazette, Jan. 4, 1828. This paper also gives the number of barrels inspected for export in 1824 as 29,560 barrels; in 1825 as 45,005 barrels; in 1826 as 45,370 barrels, and in 1827 as 58,551 barrels. There were supposed in the latter year to have been 15,000 barrels not inspected.

<sup>7</sup> Niles' Weekly Register, Vol. 27, p. 123.

<sup>8</sup> History of Montgomery County, p. 343.

<sup>9</sup> Delaware Patron, April 16, 1823.

<sup>10</sup> Western Herald and Steubenville Gazette, Nov. 8, 1823.

<sup>11</sup> The Supporter and Scioto Gazette, Nov. 22, 1823.

<sup>12</sup> Ibid., Jan. 10, 1824.

<sup>13</sup> The Supporter and Scioto Gazette, Sept. 16, 1824.

<sup>14</sup> St. Clairsville Gazette, Sept. 17, 1825.

not over in 1825.<sup>15</sup> In Kentucky there was anarchy yet. Alabama and Tennessee notes were at a discount. Indiana, Illinois, and Missouri were still suffering from the relief system.<sup>16</sup> And in Ohio there was general depression of prices and business.<sup>17</sup>

**Dullness in Land Sales and Lack of Immigration into the State.** — The farmers in Ohio were not purchasing lands as they had formerly done. This was attested by the records of the land offices and the great number of public sales without bidders.<sup>17</sup> Although the credit system of selling the United States public lands had been abolished in 1820, yet the price had at the same time been reduced from \$2 to \$1.25 per acre.<sup>18</sup> But there was much other land in the state at still lower prices. For example, in the Western Reserve land sold as low as 40c an acre.<sup>19</sup> And in 1823 there was an advertisement running in a Chillicothe paper in which 7000 acres of land on the Big Miami and Scioto rivers were offered for 90c an acre cash, or \$1.00 an acre in stock of the Bank of Chillicothe.<sup>20</sup>

Immigration into the state, which had been unusually large for a few years after the war of 1812, remained comparatively at a standstill during the period from 1818 to 1825.<sup>21</sup> No figures are available as to the increase in the total population of the state during that period, but the check in the rate of growth may be seen from figures in the state auditor's report showing the number of white males of voting age in the state at four-year intervals. In 1815 the number of white males over 21 years of age in the state was 64,814. From 1815 to 1819 the number increased by 33,966, a gain of 52.5%. During the next four years the increase was 25,855, a falling off of nearly one-

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<sup>15</sup> A Short History of Paper Money and Banking — Gouge, p. 136.  
A History of American Currency — Sumner, p. 84.

<sup>16</sup> Ibid.

<sup>17</sup> Liberty Hall and Cincinnati Gazette, May 18, 1824.

<sup>18</sup> The Public Domain — Thomas Donaldson, pp. 201 and 205.

<sup>19</sup> Ibid., p. 202.

<sup>20</sup> The Supporter and Scioto Gazette, Nov. 29, and Dec. 13, 1823.

<sup>21</sup> History of Ohio — Atwater, p. 349.

fourth. While from 1823 to 1827 the increase was only 21,110, or more than a third less than the increase from 1815 to 1819.<sup>22</sup>

**Bad Banking and Depreciation of Ohio Bank Notes not the chief Cause of the Depression.** — The continuance of the depression in Ohio so long after the crisis of 1818-19, however, was not altogether due to defective banking nor to a depreciated currency. In fact, most of the banks had failed or disappeared. By 1826 there remained only 10 banks whose notes were current throughout the state.<sup>23</sup> And, while the notes of the Ohio banks had all this time been at a discount, yet the amount of their depreciation had gradually decreased. Thus Ohio banks notes quoted from 15 to 25 discount in Philadelphia in July 1820, were 5 to 10 discount in July 1821, 6 discount in July 1822 and 1823, 5 to 6 discount in April 1824 and 1825, and only 5 discount in April 1826.<sup>24</sup>

A Cincinnati paper in 1824, commenting on the depression of prices and business that for several years previous had prevailed in the state, exclaims, "Is it to be attributed to the operation of banks and depreciated currency? No! for our banks, so long blamed as the cause of all our evils, are swept away, and our currency is sound and healthful."<sup>25</sup> The paper then points out that great trouble with Ohio at that time was the want of a market for the surplus produce of the state. And this diagnosis of the case was undoubtedly correct.

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<sup>22</sup> Number of white males over 21 years of age in Ohio at different periods:

<i>Year.</i>	<i>Number.</i>	<i>Year.</i>	<i>Number.</i>
1807 .....	31,308	1827 .....	145,745
1815 .....	64,814	1831 .....	176,300*
1819 .....	98,780	1835 .....	235,225
1823 .....	124,635		

\* Estimated. Figures from several counties missing.

*Auditor of State's Report*, Dec. 31, 1855. Ohio Exec. Doc., 1855. (Part II, No. 1.)

<sup>23</sup> Ohio Gazetteer for 1826 — Kilbourn, p. 231.

<sup>24</sup> See Appendix, p. 260.

<sup>25</sup> Liberty Hall and Cincinnati Gazette, May 18, 1824.

See also the issue of this paper for Jan. 24, 1823.

For further testimony that the currency of the state was sound at that time see *The Piqua Gazette* of March 5, 1825.

**Lack of Markets for the Surplus Products of the State. —**

The state was still largely wilderness, and its half a million inhabitants<sup>26</sup> were widely scattered, with little means of communication. Agriculture was carried on, but as there was no access to markets, production was limited chiefly to local needs. Of manufacturing there was but little, and of mining less. The few inhabitants living along Lake Erie in the northeastern part of the state carried on some trade with Canada and the Atlantic Coast by way of the Lakes. Those in the southern and southwestern parts of the state had access by the Ohio and the Mississippi rivers to the fluctuating market of New Orleans. This was likely to be overstocked when the shipper from Ohio got these, especially at the time of the year when he could pass the falls of the Ohio. To leave his property, meant to abandon it to destruction; to wait for higher prices was to incur the dangers of an unhealful climate. He frequently had to ship his produce home again or sell it at a sacrifice, often at a price which would not pay the freight and charges.

The interior of the state was almost deprived of a market. Different sections of the state had been settled by people from different ones of the older states. Each section had its peculiarities and prejudices brought by its first settlers. Lack of communication prevented the different parts of the state from being closely bound together, either socially, politically, or industrially. Each section was a community unto itself. There was but little stimulus to industry when production was limited to local consumption, as any surplus could not be marketed because the costs of transportation were too great. There were some local roads, but they were bad; and railroads and steam locomotives were not yet thought of. The products of the soil were bulky and thus more costly to transport. So the burden was greatest on articles of common use. What people had to sell they could not market, and what they wished to import they had to deprive themselves of, all because the costs of transportation were excessive.

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<sup>26</sup> Population 581,434 in 1820. — Abstract of 12th Census, p. 33. Estimated population 750,000 in 1825. — The Piqua Gazette, March 5, 1825.



**Opening of the Erie Canal and Beginning of the Ohio Canals in 1825.**—Two events in 1825 aided greatly in changing these conditions and starting Ohio well on the way to prosperity. One of these was the opening of the Erie Canal through New York between Lake Erie and the Hudson River, giving Ohio access at once to the markets of New York City and the Atlantic coast region; the other was the beginning of Ohio's own canal system, connecting Lake Erie with the Ohio River.

The "Act to provide for the Internal Improvement of the State of Ohio by Navigable Canals" was passed by the legislature by a vote of 92 to 15 on February 4, 1825.<sup>27</sup> This provided for two canals, one 308 miles long, passing through the northeastern, central, and south central portions of the state and connecting Cleveland on Lake Erie at the mouth of the Cuyahoga with Portsmouth on the Ohio at the mouth of the Scioto, and the other 66 miles long, traversing the southwestern part of the state and connecting Dayton on the Great Miami River with Cincinnati on the Ohio.<sup>28</sup> By July of the same year the work of construction had begun on both these canals,<sup>29</sup> and two years later navigation began on both of them.<sup>30</sup>

**Industrial and Social Awakening in the State.**—The canals authorized by this act were not completed, however, for half a dozen years more.<sup>31</sup> These canals ultimately, by pro-

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<sup>27</sup> Ohio Senate Journal, 1825, p. 254. House Journal, 1825, p. 318. Laws of Ohio, Vol. XXIII (1825), p. 50.

<sup>28</sup> The latter canal was ultimately extended from Dayton to Toledo, thus making two canals across the state connecting Lake Erie with the Ohio River.

<sup>29</sup> Fourth Report of the Ohio Canal Commission, Dec. 10, 1825.

<sup>30</sup> Governor Trimble's Message of Dec. 4, 1827.

Sixth Annual Report of the Canal Commission, Jan. 25, 1828.

<sup>31</sup> Eleventh Annual Report of the Canal Commission, Jan. 22, 1833. Later extensions and branches increased the state's canal system until when completed in 1847 it consisted of over 800 miles of canals and slack-water navigation. To feed these canals the state also constructed five reservoirs whose areas totaled over 32,900 acres. The total cost of the canals and reservoirs was over \$15,000,000, which was paid primarily by state loans.

Tenth Annual Report Board of Public Works, Jan. 5, 1847. Report of Board of Public Works, Dec. 22, 1903, pp. 8 and 9.

viding means of transportation and communication, added new markets and new avenues of trade, raised the prices of home products, and rendered cheaper the foreign articles, thus saving to the people of the state both on their exports and their imports.<sup>32</sup> The large expenditures for construction of the canals, too, at once encouraged enterprise and industry and invited immigration and capital. The following quotation from the *Cleveland Herald* in July 1826 illustrates this point: "Upwards of 2000 laborers and about 3000 teams are constantly employed on the line between this place and Kendall, which is now under contract; and work to the amount of between 40 and \$50,000 at contract prices, is performed monthly."<sup>33</sup> Other portions of the work showed similar conditions. Both wages and the price of provisions began to rise along the canals.

At first, beside board, the contractors provided their workmen with whiskey. "The whiskey consumed by the hands employed on a single job near the Licking Summit on the Ohio and Erie Canal cost the contractor the sum of \$3,000. In other cases the whiskey consumed by the laborers cost more than the bread or meat."<sup>34</sup> The practice of supplying whiskey to their men was later discontinued by the contractors, but the price of potatoes, wheat, corn, whiskey, etc., continued to advance along the canals.<sup>35</sup>

The demand for labor increased immigration. New towns and villages sprang up along the canals, and old ones took on new life. The city of Akron owes its origin to the settlement there in 1825 of Irish workmen engaged on the canal. Cleveland was only a village of 400 inhabitants in 1820. The opening of the Ohio and Erie Canals made it a city. Cincinnati's population in 1820 was 2,602.<sup>36</sup> In 1829 it was estimated at 24,000.

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<sup>32</sup> For a discussion of the benefits of the Ohio Canals see *History of Ohio Canals* by Huntington & McClelland, Chapter XI.

<sup>33</sup> *Western Times* (Portsmouth, O.), July 6, 1826.

<sup>34</sup> *The Chronicle* (Cincinnati, O.), Feb. 28, 1829.

<sup>35</sup> See *Temporary Advertiser* (Portsmouth), Feb. 24, 1826. *Western Times* (Portsmouth), April 25, 1829. *Western Teller* (Cincinnati), Aug. 25, 1826. *Hamilton Intelligencer*, Dec. 2, 1828, and May 12, 1829. *Western Aegis* (Georgetown), Nov. 25, 1828.

<sup>36</sup> Report of Ohio Commissioner of Statistics, 1857-9.

"The settlement and improvement of this city for the last 5 years," says an Ohio paper, "has been rapid almost beyond example."<sup>37</sup> The population of the whole state increased from 581,434 in 1820 to 937,903 in 1830,<sup>38</sup> a gain of 61.5%. During the same period the population of the United States increased only 33.5%. But the gain in Ohio was much more rapid during the later years of the decade than during the earlier years. The number of white males of voting age in the state increased 46,965, or 47.5%, from 1819 to 1827. During the next eight years gain was nearly twice as much, being 89,480 or an increase of 61.4% in the total number, the percentage rate showing a big increase notwithstanding the larger base.<sup>39</sup> The increasing population, together with the stimulus to industry from the increased prices of produce, caused a demand for land, and it rose in value.<sup>40</sup> During 1829 the sales of public lands in Ohio amounted to more than 1,465,000 acres, a greater quantity than was sold in any other state except Indiana and Illinois, and greater than had been sold in Ohio any previous year since 1822.<sup>41</sup>

The credit for the increased rate of growth, as well as for the improvement in prices and business conditions generally is due far more to the opening of the Erie and Ohio canals than to any change in tariff, currency, or banking conditions, although it was said about the time that the Ohio canals first opened that no section of the Union then had a better circulating medium than Kentucky, Ohio, Indiana, Illinois, and Missouri.<sup>42</sup>

**Dissatisfaction with the Operation of the Bonus Law.**—An important change in the banking laws of Ohio had been made in 1825 when a tax on dividends was substituted for the bonus scheme provided for in the law of February 23, 1816.<sup>43</sup> It will

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<sup>37</sup> Ohio State Bulletin, Aug. 12, 1829. See also *The Chronicle* (Cincinnati, O.), June 21, 1828.

<sup>38</sup> Abstract of 12th Census, p. 33.

<sup>39</sup> See note on page 333.

<sup>40</sup> *Western Times* (Portsmouth, O.), May 2, 1829.

<sup>41</sup> *Ohio State Gazette and Delaware County Journal*, Jan. 20, 1831.

<sup>42</sup> *Niles' Weekly Register*, Vol. XXXII, p. 37. (March 17, 1827).

<sup>43</sup> See Chapter II, p. 273.

be recalled that each of the banks incorporated under that law was, in lieu of other state taxation, to set off annually such a part of its profits as would at the expiration of its charter produce a sum sufficient to pay for one twenty-fifth of its capital stock which was to be property of the state.

This scheme apparently did not prove very satisfactory either to the banks or to the state. In 1818 the banks petitioned the legislature to repeal the bonus law; but a committee of the legislature reported that it was not expedient to exempt the banks from the payment of the bonus. So nothing was done then towards repealing the law, although Governor Brown in his message of December 16, 1818, suggested substituting for the bonus a tax on the real estate and dividends of the banks.<sup>44</sup>

All of the banks incorporated in Ohio before February 23, 1816, had accepted charters under the bonus law by September 1, 1816, except the Miami Exporting Company. Of the banks incorporated later under that law, however, some did not accept their charters until late in 1818.<sup>45</sup> These up to the time of accepting their charters, were liable for taxes under the law of February 8, 1815, which had imposed a tax of 4% on the annual dividends of the banks, and had provided that if any bank should fail to report its dividends to the auditor of state he should levy a tax of 1% on its nominal capital, to be increased by a penalty of 4% in case of delay.<sup>46</sup> The Miami Exporting Company, which had refused to accept a charter under the bonus law, was also taxable under the law of 1815.

On January 5, 1819 the state auditor made a report to the legislature on the stock set off to the state by banks and also the taxes paid into the state treasury by banks. This report shows that up to that time the total stock set off to the state under the bonus law amounted to \$79,930.27; that the amount set off which accrued prior to the acceptance of charters under the law was \$6,251.51; and that the amount set apart to the state by the Miami Exporting Company was \$5,140.98.<sup>47</sup> Thus the total

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<sup>44</sup> See Chapter III, p. 293.

<sup>45</sup> See p. 277.

<sup>46</sup> See Chapter I, p. 266. Also *Laws of Ohio*, Vol. XIII (1815), p. 152.

<sup>47</sup> *Ohio Senate Journal*, 1819, p. 207.

amount of taxes paid by banks under that law up to January 1819 was only \$11,392.49; while the amount of stock set off to the state was only \$79,930.27. Two years later a legislative committee was appointed to examine and report regarding the amount of the bonus set apart by the different banks. Its report, made December 28, 1820, showed that the total amount of the bonus set off to the state was only \$84,385.30, of which but \$37,023.40 was in banks then paying specie.<sup>48</sup> This did not indicate that the bonus would ever yield much revenue to the state.

#### **Difficulty in Collecting the State's Claims against Banks.**

—Many of the banks had failed and most of the others were unable or refused to pay specie for their notes. Consequently a good deal of worthless bank paper had found its way into the state treasury. A committee of the legislature had reported December 20, 1820, that there remained in the state treasury \$33,933.61 in uncurrent bank paper, of which the probability of redemption was very distant. As none of the banks, except the Miami Exporting Company, seemed disposed to do justice to the state, the committee had recommended that if the treasurer could not collect, he should either get real estate security or sue.<sup>49</sup>

In many cases the state did sue, frequently getting judgments, however, which were more or less worthless. Under a joint resolution of the legislature at the session of 1824 commissioners were appointed to look after the claims of the state against banking corporations. Their report was given on December 14, 1824.<sup>50</sup>

They had sold the claims of the state against the Miami Exporting Company for  $33\frac{1}{3}$  cents on the dollar, receiving paper of that bank at par. This paper was sold at public auction for

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<sup>48</sup> Ohio House Journal, 1821, p. 195. The auditor's report of Dec. 5, 1821, under receipts for the year 1821, showed that the amount set aside by the Miami Exporting Company, under the act to raise revenue from banks, etc., was \$691.81.—Liberty Hall and Cincinnati Gazette, Jan. 2, 1822.

<sup>49</sup> Ohio House Journal, 1821, p. 160.

<sup>50</sup> Ohio Senate Journal, 1825, p. 57.



37¾ cents on the dollar and realized the sum of \$4,345.50.<sup>51</sup> The claims against the German Bank of Wooster, amounting to \$827, the commissioners considered a total loss.<sup>52</sup> The claim against the Lebanon bank by judgment was \$9,941. This institution was solvent and able to pay, but such was the difficulty of collecting that its paper commanded only 30 or 35 cents on the dollar. The same observations were made as to the Urbana Banking Company, against which the state's claims were \$4,058. This concern, the commissioners suggested, it was desirable to close as soon as possible.

Such difficulties as these in collecting claims against the banks, together with the absolute failure of many of the banks organized under the bonus law, made it apparent that the state could hope for but little revenue from the bonus.

**Tax on Bank Dividends substituted for the Bonus.** — On December 17, 1824, three days after the above report was made to the legislature, that body received a report of the state auditor on the banks chartered under the act of February 23, 1816. This report announced that it was extremely doubtful whether the state would ever derive any considerable advantage from the bonus set apart to the state by the banks incorporated under that act, since their condition was bad and their capital stock likely to be entirely exhausted. The auditor recommended that a committee of the legislature be appointed to consider the matter. This advice was accepted and the report was referred to a committee.<sup>53</sup>

The legislature evidently soon became convinced of the correctness of the auditor's conclusion. At any rate, on February 5, 1825, an act was passed amending the act of February 23,

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<sup>51</sup> The paper was to be sold to the highest cash bidder on Aug. 24, 1824. — *Liberty Hall and Cincinnati Gazette*, Aug. 6, 1824. The judgment against the Miami Exporting Company was \$9,570.14, which with interest, dividends, etc., amounted to \$11,511.35. — *Ohio Senate Journal*, 1825, p. 57.

<sup>52</sup> A report of the auditor, treasurer and secretary of state made to the legislature Jan. 21, 1826, states that a judgment against the German Bank of Wooster for \$1,000 had been obtained in 1821, and that they could get \$500 for the claim. — *Ohio Senate Journal*, 1826, p. 246.

<sup>53</sup> *Ohio Senate Journal*, 1825, p. 80.

1816, known as the bonus law, by restoring to the banks incorporated under that law the stock set aside for the state, and substituting therefor a tax on the dividends of the banks.<sup>54</sup> By the act of February 5, 1825 each of these banks was required to pay to the state 2% on all dividends made by it previous to the passage of that act, and 4% on all dividends which it should make thereafter, until otherwise provided by law. The directors of each bank were required to notify the state auditor of their acceptance of the terms of the act and of their compliance therewith, and to furnish him with a statement of all dividends declared previous to its passage.

Under the bonus law each bank was to set off to the state one share in each twenty-five of its stock. On this bonus the state was to receive dividends. Theoretically, therefore, under the bonus law the state would have received 4% of the dividends of the bank each year; and in addition to that would have been entitled to one twenty-fifth of all the bank's net assets when it came to settle up at the expiration of its charter. But, since the dividends on the state stock were to remain in the bank and accumulate until the state should own one-sixth of the capital stock, naturally the scheme failed, as a source of revenue, with the failure of so many of the banks concurring in it; so the state willingly exchanged this extraordinary bonus for a tax of from 2% to 4% on the dividends of the banks.

After this change in the tax law in 1825 no change was made in the banking laws of Ohio until 1831.<sup>55</sup>

**Lack of Banking Statistics from 1820 to 1830.** — Statistics regarding banks in Ohio during the decade from 1820 to 1830 are very meagre. The number of chartered banks operating in the state as the close of the decade, however, was much smaller than at its beginning. Early in 1819 a committee of the legislature had reported 25 banks in operation.<sup>56</sup> On February 24, 1820, the committee on banks, to whom had been referred the

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<sup>54</sup> Revised Statutes of Ohio — Chase, p. 1463. History of Banking — Knox, p. 671.

<sup>55</sup> Bankers' Magazine, Vol. IX, p. 3, and Vol. XI, p. 164.

<sup>56</sup> See Chapter III, p. 303.

governor's message of January 13 as to reports of banks, reported to the legislature that 18 banks had answered the communication of the governor as to their condition: 3 by letter only, apparently confidential, and giving no statement of their condition; 2 others making confidential reports of their situation; 6 making no formal report; and the remainder giving but a short report of their situation and only two under oath of the cashier. The committee declined to make an abstract of the reports because it considered them not intended for the legislature.<sup>57</sup> By 1826 these 18 banks had dwindled in number until there remained but 10 whose notes were current throughout the state.<sup>58</sup>

**Need of Banking Capital in Cincinnati in 1826.** — Cincinnati, the largest town and most important trade center, had no incorporated bank in 1826 except the branch of the United States Bank.<sup>59</sup> The need of banking capital there at that time is indicated in the following quotation from a small work published in 1826:<sup>60</sup>

"Cincinnati for several years has been deficient in the amount of its disposable capital; a nominal superfluity of it existed during the prosperity of the local banks; after their destruction, paper currency was almost withdrawn from circulation and much of the metallic currency applied to the payments due the United States Bank and the eastern merchants. From this condition of things the city has been gradually recovering, but its citizens are not yet large capitalists. Although engaged in profitable business most of them have not the means of extending it to a scale proportioned to their enterprise and the resources of the place. Money is consequently in great demand,

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<sup>57</sup> Ohio House Journal, 1820, p. 414.

<sup>58</sup> The Ohio Gazetteer for 1826 — Kilbourn, p. 231. These were the Western Reserve Bank of Warren, the Bank of Steubenville and the Farmers' and Mechanics' Bank at Steubenville, the Bank of Mt. Pleasant, the Bank of St. Clairsville, the Bank of Marietta, the Lancaster Ohio Bank, the Franklin Bank of Columbus, the Bank of Chillicothe, and the Commercial Bank of Scioto at Portsmouth. To these may be added the Branch of the U. S. Bank at Cincinnati.

<sup>59</sup> Bankers' Magazine, Vol. XI, p. 171.

<sup>60</sup> Cincinnati in 1826 — Charles Cist.

and a high price is willingly paid for its use. For small sums 36% per annum is frequently given, and for large ones from 10 to 20% is common."

**State Loans and Public Works increase the Money Supply.** — During 1826 and 1827 the effort to establish another incorporated bank in Cincinnati was discussed generally, but none materialized.<sup>61</sup> Expenditures on the canals of the state, however, and other causes, among which was a more plentiful supply of money in the country generally in 1827,<sup>62</sup> contributed to improve financial matters in Cincinnati as well as in the remainder of the state. During the years from 1825 to 1828 the state issued its stocks of the par value of \$3,800,000 to defray the costs of canal construction. With the exception of the \$400,000 5% loan in 1825, which was placed at a discount of 2½%, these stocks all bore 6% interest and were issued at a premium. The net premiums for the four years mentioned amounted to \$124,895.<sup>63</sup> The proceeds of these loans being expended in the state, increased of course the amount of money in the state, and aided materially in improving its industrial and financial conditions. Niles Register of March 17, 1827, says, "At present there is no section of the Union that has a better circulating medium than Kentucky, Ohio, Indiana, Illinois, and Missouri—vexed as they have been with manufactories of paper money."<sup>64</sup>

**Project of Establishing a State Bank discussed.** — About this time the project of a state bank was discussed considerably in Ohio. In compliance with a resolution of the state senate asking information on the subject, the auditor of state in his report of January 14, 1829 dealt at some length with the question. He stated that some states had succeeded and others had failed with state banks, but that the successful state banks had had as

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<sup>61</sup> Liberty Hall and Cincinnati Gazette, Sept. 15, 1826. Daily Gazette (Cincinnati), Nov. 19, 1827.

<sup>62</sup> A History of American Currency—Sumner, p. 87.

<sup>63</sup> History of the Ohio Canals—Huntington & McClelland, p. 69. Other 6% loans followed, the total par value of the loans from 1825 to 1839 being \$9,446,123, on which the premiums netted \$581,013.25. — Ibid,

<sup>64</sup> Niles' Register, Vol. XXXII, p. 37.

nearly as practicable the character of private institutions. The auditor declined, however, to advise as to the policy of establishing a state bank, giving as his reason the fact that he had had no particular supervision of banks such as to give an intimate acquaintance with them.<sup>65</sup> A little later, however, a legislative committee, appointed to prepare information on the subject, reported in favor of a state bank, to be located at Cincinnati and its capital stock to be held by the state and individuals combined. The committee expressed the belief that such a bank would be able to keep its paper at par with gold and silver; that it would effect a lower rate of interest, thus enabling borrowers to obtain loans on cheaper and easier terms; and that the increase of capital which such a bank would bring about would be accompanied by a corresponding promotion and extension of agriculture, commerce, and manufacture.<sup>66</sup>

**Two new Banks authorized by the Legislature.** — While this recommendation for a state bank was not carried out, the legislature did a few days later authorize the incorporation of two more banks in the state. On February 10, 1829, a charter was granted to the Bank of Geauga at Painesville with a capital stock of \$100,000,<sup>67</sup> and the next day, February 11, 1829, the Commercial Bank of Cincinnati was authorized with a capital stock of \$500,000, of which \$100,000 had to be paid in gold and silver before the bank could begin business.<sup>68</sup> The capital stock of the latter remained unsubscribed for two years afterwards, however, in consequence of the demand for capital to be used in more profitable pursuits than banking.<sup>69</sup> In 1829 land was increasing in value in the state and there was comparatively no scarcity of money.<sup>70</sup> The expenditure of thousands of dollars on internal improvements, and the resultant facilities for transportation were already bearing fruit in better industrial

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<sup>65</sup> Ohio Senate Journal, 1829, p. 219.

<sup>66</sup> The Miami Herald and Dayton Republican, Feb. 3, 1829.

<sup>67</sup> Laws of Ohio, Vol. XXVII (1829), p. 27.

<sup>68</sup> Bankers' Magazine, Vol. XI, p. 165. Laws of Ohio, Vol. XXVII (1829), p. 42.

<sup>69</sup> Dayton Journal & Adviser, April 19, 1831.

<sup>70</sup> Western Times (Portsmouth, O.), May 2, 1829.



conditions. In his message of December 9, 1829, Gov. Trimble states that the general concerns of the state were never in a more prosperous condition.<sup>71</sup>

The number of banks in the state at that time was much smaller than it had been in the early years of the decade, but on the other hand their condition was much better and their notes far less depreciated and fluctuating. The heterogeneous character of their paper in the early twenties may readily be seen from the following table taken from a Cincinnati paper of 1822.<sup>72</sup>

DEPRECIATION OF OHIO BANK NOTES IN FEBRUARY 1822.

Bank of Steubenville.....	par.
Farmers' and Mechanics' Bank of Steubenville.....	par.
Mt. Pleasant .....	par.
Western Reserve .....	2
St. Clairsville .....	1
Bank of Chillicothe.....	1½
Lancaster Bank .....	1
Marietta .....	2
Columbus .....	2
West Union .....	40
Zanesville Canal .....	50
Muskingum Bank .....	12½
Portsmouth .....	15
Dayton .....	1½ to 2
Hamilton .....	31 to 35
Miami Exporting Co.....	62½ to 65
Bank of Cincinnati.....	70
Canton .....	25
Smithfield .....	75
New Salem .....	80
Cleveland .....	75
New Lisbon .....	50
Xenia .....	4
F. & M. Bank, Chillicothe.....	75
Urbana .....	75
Lebanon .....	55

<sup>71</sup> Niles' Register, Vol. XXXVII (Jan. 2, 1830), p. 290.

<sup>72</sup> Liberty Hall and Cincinnati Gazette, Feb. 2, 1822.

With the preceding may be compared the following table taken from another Cincinnati paper of 1828.<sup>73</sup>

DICOUNT ON OHIO BANK NOTES IN JANUARY, 1828.

Bank of Chillicothe.....	1
Bank of Lancaster.....	1
Bank of Columbus.....	1
Bank of Steubenville.....	1½
F. & M. Bank of Steubenville.....	½
Bank of Mt. Pleasant.....	1½
Bank of Marietta.....	1½
Western Reserve .....	1½
Portsmouth .....	1½
St. Clairsville .....	1½

The decrease in the number of banks whose notes are quoted is very apparent, but the increase in the uniformity of the quotations is just as striking. The worst of the banks named in the first table had passed away. The stronger remained.

Albert Gallatin, writing in 1831, enumerates 20 Ohio banks which had failed or discontinued business since Jan. 1., 1811. The capital stock of two of the banks in the list is not given, that of the other 18 amounts to \$1,911,179. The list follows:<sup>74</sup>

OHIO BANKS WHICH FAILED BETWEEN 1811 AND 1831.

<i>Name of Bank.</i>	<i>Capital.</i>
Miami Exporting Company, Cincinnati.....	\$468,966
Columbiana Bank of New Lisbon.....	50,000
Granville Alexandrian Society.....	12,002
Farmers' Bank of New Salem.....	57,000
German Bank of Wooster.....	25,000
Bank of Muskingum.....	97,000
Farmers' & Mechanics' Bank of Cincinnati.....	184,776
Bank of Cincinnati.....	216,430
Dayton Manufacturing Company.....	61,622
Lebanon Miami Banking Company.....	86,491
Urbana Banking Company.....	49,685

<sup>73</sup> Cincinnati Daily Gazette, Jan. 8, 1828.

<sup>74</sup> Considerations on the Currency and Banking System of the United States—Gallatin, p. 105. Report of the U. S. Comptroller of the Currency, 1896, Vol. 1, p. 48.

Farmers' & Mechanics' Mfg. Bank of Chillicothe.....	99,575
Bank of Hamilton.....	22,707
Zanesville Canal & Manufacturing Company.....	79,125
Bank of West Union.....	100,000
Commercial Bank of Lake Erie.....	100,000
Bank of Steubenville.....	100,000
Muskingum Bank of Zanesville.....	100,000
Jefferson County Bank.....	.....
Bank of Xenia.....	.....
Total (18 banks) <sup>75</sup> .....	\$1,911,179

**Causes of Failure of Majority of Ohio Banks.** — It will be seen that this list includes many of the banks whose notes were greatly depreciated in 1822 as shown by the preceding table. The causes of their failure were various. Some of these banks had been erected on stock notes alone, the directors then turning right around and issuing their bank bills on the promise of the borrower and a pledge of the stock.<sup>76</sup> Some of them had been got up for the purpose of borrowing and not lending money, and defrauded the unsuspecting with their depreciated paper. It is not surprising that such banks failed. As Governor McArthur, speaking of the insolvent state banks of that period, remarked, "To insure the solvency of a bank, its stockholders should be lenders and not borrowers of its money."<sup>77</sup>

Not all were dishonest, however. Many of the defects and many of the failures should be attributed to frontier conditions.<sup>78</sup> The following quotation from a Cincinnati paper of 1826 is interesting as bearing directly on the subject: "The banking operations of the West have, in too many cases, been indiscreetly and injudiciously conducted; without resorting to

<sup>75</sup> Gallatin also states that during this period 165 banks failed or discontinued business in the United States, of which number 129 had a total capital of \$24,212,339.

<sup>76</sup> Ohio House Journal, 1835, p. 208.

<sup>77</sup> Political address to electors of 7th Cong. Dist., Sept. 11, 1832. — Niles' Register, 43:89., Oct. 6, 1832.

<sup>78</sup> Similar conditions had existed in New England earlier in the century, the practice of subscribing to capital by notes having been almost universal there at one time. — History of American Currency, Sumner, pp. 61 and 62.

the threadbare charges of corruption and dishonesty, sufficient causes for their failure can be found in their too great success at first, in a want of correct knowledge of the details of the system, and in the peculiar and unusual state of things during the war, which betrayed, to a certain extent, even the most experienced and veteran institutions in our country."<sup>79</sup>

**Benefits derived from surviving Banks.** — There remained ten banks whose paper was current in the state in 1826 and at a discount of only 1 or 1½% at Cincinnati in 1828, as shown by the foregoing tables. An appreciation of them is given by the state auditor, Ralph Osborn, in his report of Jan. 14, 1829, in which he speaks of the benefits received from the banks that had survived. By them the active capital of the state has been augmented, says he, and facilities afforded for the transportation of surplus products to Atlantic markets. They have aided in the collection of the revenue, and answered the demand of the land proprietors when pressed for payment by the general government. "Indeed," he goes on, "it is impossible to calculate the benefits all classes have received and are daily receiving from those institutions. Their usefulness will not cease till they multiply so as to prey upon each other, or eagerness for gain leads to over-issues."<sup>80</sup>

**Statistics of Ohio Banks in 1830.** — According to Gallatin there were in January 1830 eleven chartered banks still in operation in Ohio. Their names, location, and capital stock are given in the following table, which shows also the proportion of their capital stock to the population of the counties in which they were located.

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<sup>79</sup> Liberty Hall and Cincinnati Gazette, Sept. 15, 1826.

<sup>80</sup> Ohio Senate Journal, 1829, p. 219.

DISTRIBUTION OF BANKS AND CAPITAL IN OHIO, JANUARY, 1830.

Name of Bank. <sup>81</sup>	County.	Population in 1830. <sup>82</sup>	Number of Banks.	Capital Stock Paid in.	
				Total. <sup>83</sup>	Per Capita. <sup>83</sup>
Belmont Bank of St. Clairsville .....	Belmont .....	28,627	1	\$100,000	\$3.493
Lancaster, Ohio, Bank.....	Fairfield .....	24,786	1	100,000	4.035
Franklin Bank of Columbus.	Franklin .....	14,741	1	100,000	6.784
Bank of Mt. Pleasant.....	Jefferson .....	22,489	3	100,000	13.340
Bank of Steubenville.....				100,000	
Farmers' and Mechanics' Bank of Steubenville...				100,000	
Bank of Chillicothe.....	Ross .....	24,068	1	500,000	20.774
Commercial Bank of Scioto, Portsmouth .....	Scioto .....	8,740	1	100,000	11.442
Farmers' Bank of Canton..	Stark .....	26,588	1	100,000	3.761
Western Reserve Bank.....	Trumbull .....	26,153	1	82,386	3.150
Bank of Marietta.....	Washington .....	11,731	1	72,000	6.138
Total for 9 counties...	.....	187,923	11	\$1,454,386	\$8.170
Total for State (73 counties) .....	.....	937,903	11	1,454,386	\$1.551

<sup>81</sup> From list of banks and capital given in "Considerations on the Currency and Banking System of the United States," by Albert Gallatin, Philadelphia, 1831, p. 100.

<sup>82</sup> Figures for population from Census Bulletin, No. 41, 12th Census of the United States, p. 2.

<sup>83</sup> Obtained by dividing the amount of capital in each county by the population of the county.

The foregoing table shows that while the average amount of capital per inhabitant was \$8.17 for the 9 counties in which the 11 chartered banks were situated, yet for the state as a whole the average banking capital was only \$1.55. Ten years before it had been over \$4. per inhabitant.

The following table will show, so far as returns were made by the banks, the number of chartered banks in Ohio, together with their total capital stock, at various intervals from 1805 to 1830.



## NUMBER AND CAPITAL OF STATE BANKS IN OHIO, 1805 TO 1830.

<i>Year</i>	<i>No. of Banks.</i>	<i>Capital Stock.</i>
1805 .....	1	\$200,000 <sup>84</sup>
1811 .....	4	895,000 <sup>85</sup>
1812 .....	6	1,200,000 <sup>86</sup>
1814 .....	8	1,435,819 <sup>87</sup>
1815 .....	12 <sup>85</sup>	1,932,108 <sup>87</sup>
1816 .....	21 <sup>85</sup>	2,806,737 <sup>87</sup>
1817 .....	21	2,003,969 <sup>87</sup>
1819 .....	20	1,751,402 <sup>88</sup>
1820 .....	19 <sup>85</sup>	1,697,463 <sup>89</sup>
1830 .....	11	1,454,386 <sup>85</sup>

The above figures of course do not show the total banking capital of the state for they apply only to the incorporated banks, and not all of those always reported; but they indicate fairly well the relative amounts of banking capital at the different periods, and show plainly the expansion from 1815 to 1817 as well as the subsequent contraction. The same thing may be seen perhaps more clearly from the following diagram.

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<sup>84</sup> Report of U. S. Comptroller of the Currency, 1876, p. LXXXV.

<sup>85</sup> Considerations on the Currency and Banking System of the United States — Gallatin, p. 103.

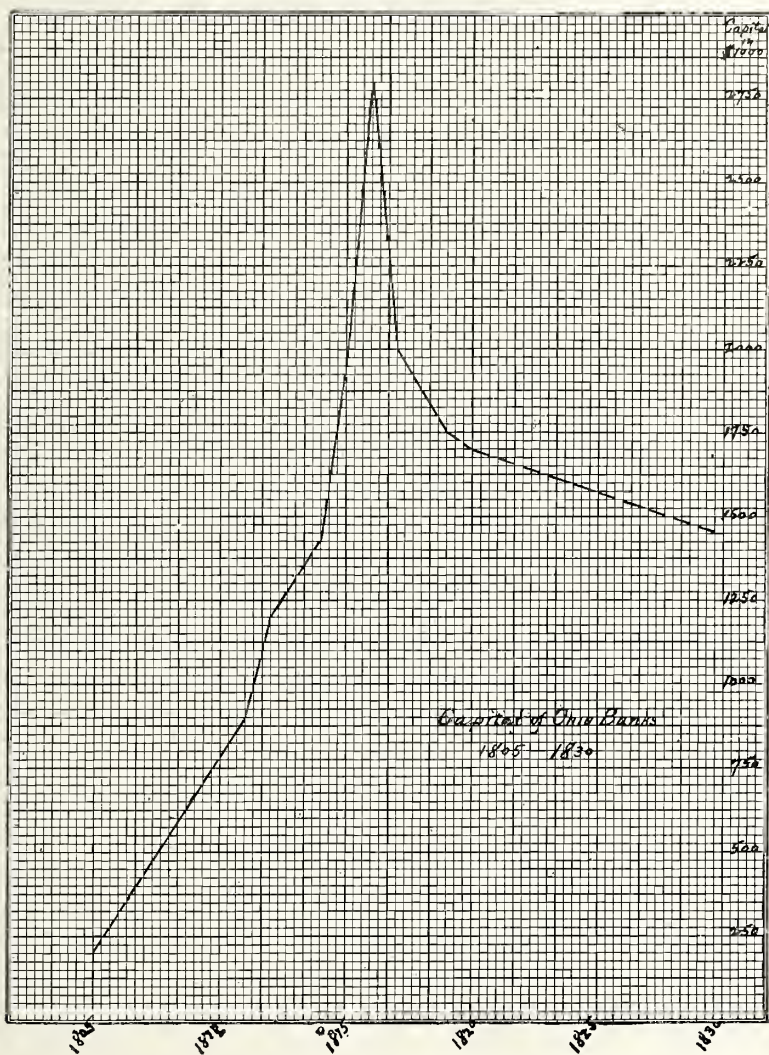
<sup>86</sup> A Short History of Paper Money and Banking — Gouge, p. 88.

<sup>87</sup> Elliot's Funding System, p. 769.

<sup>88</sup> See table page 303.

<sup>89</sup> Elliot's Funding System, p. 770.

For comment as to reports, etc., see preceding pp. 278-9.



## CHAPTER VI.

### THE SECOND PERIOD OF EXPANSION. 1831 TO 1836.

**An Era of Internal Improvements.** — The decade from 1830 to 1840 witnessed the beginning of a new era of progress throughout the civilized world. One of the most important factors in this progress, especially as it affected the United States, was the application of steam to railroad transportation and trans-Atlantic navigation. In 1830 railroad building was just beginning in the United States, but it advanced rapidly during the next few years; while canal construction was then at its height. The Erie Canal in 1825 opened the Great Lakes region to the markets of the Atlantic coast, and facilitated settlement of the interior. The State of Ohio in 1833 completed 400 miles of navigable canals connecting the Ohio River with Lake Erie, and the same year began work on an extension of the system, which when completed in 1847 consisted of over 800 miles of canals and slack-water navigation. Pennsylvania and other states were also busy in canal making. Canals costing a hundred million dollars were begun or finished in the years culminating in the panic of 1837.<sup>1</sup> The country was in the midst of an era of internal improvements, and the possibilities of the future seemed unlimited.

**Increase in Immigration.** — These internal improvements and the various other enterprises which accompanied or followed them created a strong demand for labor and capital, and large supplies of both came from Europe. From the inauguration of Washington in 1789 to that of Jackson in 1829 the population of the United States increased from about four millions to almost thirteen millions, but very little of that increase was due to immigration. Probably not over four hundred thousand immigrants were included in that increase of nearly nine millions.<sup>2</sup> About the latter date, however, immigration began in sufficient

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<sup>1</sup> Crises and Depressions — Burton, p. 281.

<sup>2</sup> Division and Reunion — Wilson, pp. 2 and 3.

magnitude to promote the more rapid development of the country. Thousands of these immigrants found their way to Ohio and other interior states, and formed no inconsiderable part of the great westward movement then going on.

**Growth of Population in Ohio.** — The population of Ohio increased much more rapidly during the early 30's than it had during the early 20's. From 1827 to 1835 the number of white males of voting age in the state increased by 89,480, or 61.4%, while during the preceding eight years the increase had been only 46,965, or 47.5%.<sup>3</sup> From 1830 to 1840 the population of the United States increased 32.7%.<sup>4</sup> During the same period the population of Ohio increased 62%, a percentage nearly twice that for the country as a whole. The total gain of population in Ohio from 1830 to 1840 was 581,564, a number greater by nearly 50,000 than its gain for any other decade during the century.<sup>5</sup> Ohio ranked fifth among the states in population in 1820, fourth in 1830, and third in 1840, a position which she was able to hold for half a century.<sup>6</sup> During the decade 1830-40 also, Ohio became the first state in the union in the production of wheat and corn, and ever since has held high rank as an agricultural state. Internal improvements had given her markets for her products and an incentive to production.

**Effect of Transportation Facilities.** — The development of transportation facilities was perhaps the most conspicuous feature of this period in the United States. It gave an impetus to the settlement of large tracts of land not only in Ohio but in other states of the Middle West and caused a large increase in agricultural production, and abundant mineral and agricultural products of the country, hitherto unavailable on account of lack of transportation facilities, were made available not only for distribution throughout the United States but also for export.

**Foreign Commerce and Foreign Loans.** — Both the domestic and the foreign commerce of the country made rapid strides. The value of the imports and exports of merchandise

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<sup>3</sup> See Chapter V, p 333.

<sup>4</sup> Statistical Atlas of the United States, 1900, p. 25.

<sup>5</sup> 12th Census of the U. S. Bulletin No. 41, p. 1.

<sup>6</sup> Statistical Atlas of the U. S., 1900, plate 21.

increased from 134 million dollars in 1830 to 221 millions in 1840.<sup>7</sup> The influence of foreign loans is shown by the fact that while between 1830 and 1837 the imports of merchandise exceeded the exports by \$140,000,000, yet the imports of specie also, during this period, exceeded the exports by \$44,700,000. In 1834, for example, the exports of coin and bullion amounted to only \$400,500, while the imports totaled \$16,235,374. The foreigners, instead of demanding the payment of the trade balance in specie, were leaving it invested in the United States and sending us money besides. They were investing in our new railroad industry and more particularly in the bonds issued by municipalities and by states for internal improvements, etc.<sup>8</sup> From 1826 to 1839 the State of Ohio issued, to pay for canal construction, 6% stocks to the amount of \$9,046,123, all of which brought a premium except \$20,000 issued at par in 1836. The total amount of these premiums was \$591,013.25. The highest premium received was that of 1832, which was 24%.<sup>9</sup>

**Period of Business Expansion.**—The period from the crisis of 1819 to that of 1837, says Burton, "was the first which displayed in this country the distinctive features which preceded the crises of 1873 and 1893. It afforded an illustration of gradual growth, expansion, and collapse. The movement was particularly marked from 1831 to 1837, and most active from 1834 to 1837."<sup>10</sup> During this period there was not only a steady growth in population, agriculture, and foreign trade, but manufacturing, having recovered from the depression which followed the War of 1812, was beginning to be developed on a large scale, while domestic commerce and wealth had nearly doubled. It was an era of great territorial and business expansion, and, as usually happens, this was accompanied, especially towards the close of the period, by excesses which later caused waste and loss.

<sup>7</sup> Statistical Abstract of the United States, 1905, pp. 636-7.

<sup>8</sup> Financial History of the U. S.—Dewey, p. 226.

Crises and Depressions—Burton, p. 280.

<sup>9</sup> History of Ohio Canals—Huntington & McClelland, p. 69.

There was also an issue of \$400,000 at 5% in 1825, the total amount issued before 1830 being \$3,800,000.

<sup>10</sup> Crises and Depressions—Burton, p. 279.



**Excessive Credit and Speculation.** — A great number of enterprises were established, which were in advance of the demand, and many others which were entirely useless. There was undue extension of credit; while speculative operations attained a volume never known before in this country. The demand for western land due to the influx of new settlers was vastly increased by land buying for speculation. As the market price of land frequently went way above the government selling price, there was strong inducement to buy with the expectation of selling it sooner or later at a big profit. To do this, money was necessary; consequently there arose an enormous demand for borrowed money. This was readily supplied by local banks, many of which sprang up especially to meet this temporary demand. All of them were glad to extend their circulation and increase their loans.

**Rapid Growth of Local Banking.** — From 1829 to 1837 the number of local banks reported in the United States increased from 329 to 634 and their capital from 110.2 million dollars to 290.8 millions; while their circulation increased from 48.3 millions to 149.2 millions, and their loans and discounts from 137 million to 525.1 million.<sup>11</sup> That is, while the number of banks and their capital practically doubled, their circulation increased three-fold and their loans and discounts nearly four-fold, thus showing that not only were new banks started, but that both new and old issued more notes and greatly increased their loans. The loans of the Ohio banks doubled from January 1835 to May 1837.<sup>12</sup>

**Refusal to Recharter the United States Bank.** — The development of local banks was accelerated by the refusal to extend the charter of the United States Bank, which was to expire in 1836. A bill to renew the charter passed the Senate in June 1832 and the House in July, but it was vetoed by President Jack-

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<sup>11</sup> Figures for 1829 are taken from Gallatin's *Considerations on the Currency*, pp. 45, 49, and 53, except those for loans which are from Dewey's *Financial History*, p. 225; figures for 1837 are from Elliot's *Funding System*, p. 984.

See Appendix, pp. 517-18.

<sup>12</sup> Elliot's *Funding System*, p. 1183.

son; and when he was re-elected on that issue in the fall the fate of the bank was sealed.<sup>13</sup> This gave an immediate impetus to the development of local banks, which was increased by Jackson's determination at once to remove the government deposits from the United States Bank, on the ground that the public funds were not safe in the hands of "an electioneering machine."

**Withdrawal of Public Funds from the United States Bank and their deposit in State Banks.**—This decision was made effective as soon as the President could get a new Secretary of the Treasury willing to do his bidding. On September 26, 1833 an order was issued by Secretary of the Treasury, Roger B. Taney, directing that nearly ten millions of public money then in the United States Bank should be gradually withdrawn and no more deposited therein; but that henceforth the public funds should be deposited in certain state banks.<sup>14</sup> The hope of securing some of these government deposits accelerated the increase in local banks, and the distribution of the funds among numerous "pet banks," as the state banks selected were familiarly called, increased opportunities for extending credit, and furnished the foundation for many injudicious enterprises.

**Payment of the National Debt and Distribution of the Surplus among the States.**—Another cause contributing to the same effect was the distribution among the states of the surplus revenue which occurred about this time in the United States Treasury. The growth in the foreign trade of the country had brought a big increase in the revenues from import duties; while the sale of public lands, the proceeds of which between 1810 and 1830 had amounted to only one or two millions a year, increased so rapidly after 1830 that in 1835 the receipts from this source were nearly \$15,000,000.<sup>15</sup> In January of the latter year the national debt was paid off and a prediction made by Jefferson fifty years before was about to be fulfilled, namely, the

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<sup>13</sup> Division and Reunion — Wilson, p. 79.

<sup>14</sup> Division and Reunion — Wilson, p. 81.

Financial History of the U. S. — Dewey, p. 206.

<sup>15</sup> The Public Domain — Donaldson, p. 17.

See Appendix, pp. 386, 493.

United State Treasury was the possessor of a surplus.<sup>16</sup> A Senate committee estimated that it would average nine million a year for the next eight years. What was to be done with it? the protected interests like their successors of today did not want the tariff reduced, so they advocated a distribution of the surplus among the states. This idea also found favor in other quarters. But the president and others of his party had scruples against making direct gifts to the states. So it was finally decided to make the distribution as a loan to the states, though without interest, to be recalled at the pleasure of Congress. This act providing for the distribution was passed June 23, 1836,<sup>17</sup> and under it somewhat over \$28,000,000 was deposited with the states. The amount was in reality a gift and was never expected to be recalled. It is still carried on the books of the treasury as unavailable funds, \$28,101,644.<sup>18</sup>

Ohio's share of this surplus revenue, amounting to \$2,007,-260.34, was distributed among the several counties; and the county commissioners were authorized to loan these funds at 6% interest to any incorporated canal, railroad, or turnpike company, or to any other work of internal improvement in the county, upon security equal to double the amount loaned. Any of the money not loaned as above could be loaned to the state in such amount as the latter desired, or to individuals at from 6 to 7% interest. Of the total amount received by the state, \$545,681.93 was expended in the construction of internal improvements.<sup>19</sup>

**Relation of Credit and Speculation.** — The distribution of the surplus among the states and the deposit of the public funds with local banks encouraged many of the latter to make loans larger than their assets would warrant, especially as there was such a strong demand for money for purposes of speculation. The notes issued by the bank to the speculator would commonly be invested in government land, as that was the main subject of

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<sup>16</sup> Financial History of the U. S. — Dewey, pp. 217 and 219.

<sup>17</sup> United States Statutes at Large, Vol. V, p. 55.

<sup>18</sup> Financial History of the U. S. — Dewey, pp. 219-21.

Division and Reunion — Wilson, pp. 86-88.

<sup>19</sup> History of Ohio Canals — Huntington & McClelland, pp. 73 and 74.

speculation at the time. The land receiver usually would then deposit the notes in a local bank, frequently in the same bank that issued them, and again they would be ready for issue, perhaps to the same speculator, to purchase more land. Thus the local banks and the government surplus became involved in a common network of credits. The paying off of the national debt, too, helped the land speculation, since money formerly loaned to the government was thus set free for other investments.<sup>20</sup>

**Rapid Increase Bank Notes and Other Money in the United States.**—While land speculation was the central point in the expansion of the period, and reached its maximum in the West and Southwest, where the rapid increase that occurred in the price of wheat and cotton and other farm products helped to boom the lands that produced them; yet speculation of every sort and in all parts of the country received a wonderful impetus. Money was plentiful, and as much of it did not represent capital, it was easy to obtain. Consequently times were flush and nearly everybody ran into debt.<sup>21</sup> The total amount of money in the United States increased from 93 million dollars in 1830 to 222 million in 1837, a point not reached again until 1847. It is estimated that about two-thirds of this money consisted of outstanding bank notes, the latter increasing from 61 million in 1830 to 149 million in 1837, which high point was not reached again until 1851.<sup>22</sup>

**Bank Circulation in Ohio.**—In the rapid expansion of bank paper during this period Ohio had her full share. In one year, from 1835 to 1836, the reported circulation of Ohio banks increased from 5.2 million dollars to 9.7 million, while the eleven authorized local banks operating in the state in 1830 had become 33 in 1837, an increase of exactly three-fold.<sup>23</sup> There are no

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<sup>20</sup> Financial History of the U. S.—Dewey, pp. 225 and 226.

<sup>21</sup> Financial History of the U. S.—Dewey, p. 226.

Division and Reunion—Wilson, p. 89.

Men and Measures of Half a Century—McCulloch, p. 58.

<sup>22</sup> Report of the United States Comptroller of the Currency, 1908, p. 145.

<sup>23</sup> Report of U. S. Comptroller of the Currency, 1876, p. XCVII.

figures available as to the circulation of the Ohio banks in the early years of the decade, but it was probably not large.

It may be recalled that the 25 chartered banks in Ohio in 1819, had a circulation of only about 1.3 million dollars;<sup>24</sup> while in 1826 the statement was made that some years before paper currency had almost been withdrawn from circulation in Cincinnati, the largest city in the state.<sup>25</sup> In 1829, however, it was said that there was comparatively plenty of money in the state,<sup>26</sup> and at that time Ohio bank notes were at a discount of from 2½ to 3½% in Philadelphia.<sup>27</sup> In 1831, however, the discount was only about 1½%,<sup>28</sup> thus indicating that the circulation of Ohio banks could not have been much expanded. It is probable that their circulation at that time was between one and two million dollars, perhaps nearer the first figure than the second.

**Charter of the Bank of Norwalk.** — In fact there was quite a demand for money in Ohio at this time, which took the form of a demand for more banking facilities, the function of a bank considered most important in this country in those days being that of note issue.<sup>29</sup> On Feb. 25, 1831 the legislature granted a charter to the Bank of Norwalk, with an authorized capital stock of \$100,000.<sup>30</sup> This was the only bank chartered by the legislature that session, however, and was not sufficient to meet the demand. Consequently there was a resort to the reviving of old banks.

**Revival of the Dayton Bank.** — As early as Jan. 18, 1831 the Dayton Republican in speaking of the importance and need of a bank at Dayton, had called attention to the fact that there was a bank in the city whose charter would not expire for 13 years yet, and suggesting that it ought to be put into operation again.<sup>31</sup> Another Dayton paper a few months later announced

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<sup>24</sup> See Chapter III, p. 301.

<sup>25</sup> See Chapter V, p. 342.

<sup>26</sup> See Chapter V, p. 344.

<sup>27</sup> See Appendix, p. 489.

<sup>28</sup> *Ibid.*

<sup>29</sup> Money, Trade and Industry — Walker, pp. 259 and 299.

<sup>30</sup> Local Laws of Ohio, Vol. XXIX, (1831), p. 162.

<sup>31</sup> This was the Dayton Manufacturing Company. See Chapter I, p. 264. Also Knox's History of Banking, p. 676.



that the Dayton Bank, which had wound up its business a few years before and paid its stockholders the capital invested, had been revived, its capital stock filled up and actually paid in, and its business resumed on a good stable foundation, which inspired confidence and gave assurance that the revival of this bank would prove a public benefit.<sup>32</sup>

**Opening of the Commercial Bank of Cincinnati.** — It will be recalled that on Feb. 11, 1829 the legislature had authorized the Commercial Bank of Cincinnati to begin business with a capital stock of \$100,000 but that its stock had remained unsubscribed owing to the pressure for capital in other lines.<sup>33</sup> On Feb. 12, 1831, however, the commissioners in charge of the organization of this bank advertised that two days later its stock subscription books would be opened, and each day thereafter for 30 days, within which time \$10 on each share must be paid by the subscribers according to charter.<sup>34</sup> This stock was all quickly taken, a great part of it by foreign capitalists, and arrangements were at once made for the immediate commencement of business.<sup>35</sup> On May 28 the stock in this bank rose from 5 to 15% premium, and before the day closed 17% was asked, at which figure the price remained firm. Orders to purchase this stock received from eastern cities were said to have contributed to this rise.<sup>36</sup>

**Tax on Dividends of Banks increased to 5%.** — A provision in the charter granted this bank Feb. 11, 1829, had provided that it should pay to the state a tax of 4% on its annual dividends.<sup>37</sup> That was the rate then paid by all the local banks

<sup>32</sup> Dayton Journal and Advertiser, Aug. 30, 1831.

The name of Dayton Manufacturing Co. was changed to Dayton Bank. Local Laws of Ohio, Vol. XXX, (1832), p. 14.

<sup>33</sup> See Chapter V, p. 344.

<sup>34</sup> The Sentinel and Star in the West, (Cincinnati), Mar. 12, 1831, p. 160.

<sup>35</sup> The Dayton Journal and Advertiser, Apr. 19, 1831.

<sup>36</sup> The Republican (Dayton), May 31, 1831.

<sup>37</sup> Report of State Auditor, Jan. 16, 1834.

Laws of Ohio, Vol. XXVII, (1829), -p. 46.

See also arguments in cases of Ohio Life Insurance and Trust Company vs. Debolt, 16 Howard 421; and Piqua Branch of State Bank of Ohio vs. Knoob, 16 Howard 379.

in the state under the tax law of Feb. 5, 1825.<sup>38</sup> But in 1831 about the time the Commercial Bank of Cincinnati began business a change was made in this law which resulted in giving this bank somewhat of an advantage over the rest of the local banks so far as state taxation was concerned.

As early as Jan. 14, 1830 the committee on finance of the Ohio Senate, to whom had been referred a resolution as to the expediency of taxing the capital of banks, insurance companies, etc., on an ad valorem basis, reported against that plan and in favor of retaining the existing system. They gave as reasons for preferring income as the basis of taxation: first, that it was more agreeable to the stockholders and directors; second, the fact that the charters of some of the banks limited the tax to 4% on dividends, which by implication might exclude other forms of taxation. The committee concluded that no legislative act on the subject was then required.<sup>39</sup> So the matter went over.

At the next session of the legislature, however, the question of bank taxation came up again, with the result that on March 12, 1831, an act to tax banks, insurance, and bridge companies was passed, which increased the rate of the tax on bank dividends from 4% to 5%.<sup>40</sup> Under this law the directors of banks, insurance companies, and bridge companies were to furnish the state auditor with a statement of all dividends, and the auditor was then to draw for 5% thereon. A penalty not to exceed \$1000 was provided for failure to furnish such statement or refusal to pay the auditors' draft. This law operated on all the local banks in Ohio, except the Commercial Bank of Cincinnati. The latter paid 4% on its dividends under its charter, which exempted it from general taxation under a general law.<sup>41</sup>

**The Bank of Zanesville Chartered.**—In the session of 1832 the legislature, like its predecessor of 1831, chartered only one bank. This was the Bank of Zanesville, at Zanesville, Ohio,

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<sup>38</sup> See Chapter V, p. 340.

<sup>39</sup> Ohio Senate Journal, 1830, p. 238.

<sup>40</sup> Laws of Ohio, Vol. XXIX, (1831), p. 302. Also 3 Chase 1820.

<sup>41</sup> See argument for plaintiff in case of Ohio Life Insurance and Trust Co. vs. Henry Debolt. — 16 Howard 421.

which was granted a charter on Jan. 13, 1832.<sup>42</sup> Its authorized capital stock was \$300,000; but, as happened the year before, one new bank was not all that was required.

**Re-opening of the Commercial Bank of Lake Erie.** — The demand for more banking facilities in the state brought about the revival of another old bank early in 1832. This was the Commercial Bank of Lake Erie, which had been chartered originally by the bonus law of Feb. 23, 1816,<sup>43</sup> and had begun business in Cleveland in August of that year with Alfred Kelley, President, and Leonard Case, Cashier.<sup>44</sup> It had been unable to survive the crisis of 1818-19, however, and had failed in 1820.<sup>45</sup> In the winter of 1832 steps were taken to revive this institution. On Jan. 3, 1832 the state auditor made a report to the legislature on this bank, in which he said its authorized capital stock had been 1000 shares at \$100 each, with the privilege of extending this to \$500,000. He added the number subscribed was 1269, and the amount paid \$43,797.<sup>46</sup> On April 2, 1832 the Commercial Bank of Lake Erie was reorganized with Leonard Case, President, and Truman P. Handy, Cashier.<sup>47</sup> A large majority of the stock was said to be held by the Dwights of New York and Massachusetts and their friends.<sup>48</sup>

**Scarcity of Money in Ohio.** — Notwithstanding the chartering of the new banks of Norwalk and Zanesville, the revival of these old banks in Dayton and Cleveland, and the opening up of the Commercial Bank of Cincinnati after a two years' delay, the pressure for more money in the state continued to increase. This was intensified by Jackson's message of July, 1832, vetoing the bill to renew the charter of the United States Bank.<sup>49</sup> A Cincinnati writer for the *New York Courier and Enquirer* of Aug. 3, 1832 says: "The distress for money here at present is greater

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<sup>42</sup> Local Laws of Ohio, Vol. XXX, (1832), p. 94.

<sup>43</sup> See Chapter II, p. 275.

<sup>44</sup> Magazine of Western History, Vol. II, p. 272.

<sup>45</sup> Ibid.

<sup>46</sup> Ohio House Journal, 1832, p. 155.

<sup>47</sup> Magazine of Western History, Vol. II, p. 272.

<sup>48</sup> Republican, (Dayton), Apr. 10, 1832.

<sup>49</sup> See preceding, p. 355.

Also Division and Reunion — Wilson, p. 83.

than can well be imagined, and the branch bank is, from necessity in prospect of winding up, curtailing. We have one other bank in the place and its capital but \$500,000. Money can be lent upon mortgages on good city property at from 12 to 15% when the security is unquestionable and worth at least 100% more than the amount loaned. The brokers get readily one quarter per cent per day!"<sup>50</sup>

**Revival of the Project for a State Bank.** — Throughout the state the question of what should be done became a matter of much agitation. Gov. Duncan McArthur in a political address of Sept. 11, 1832, declared in favor of a re-charter of the United States Bank, or other bank not a "treasury bank" or under the control of the Executive.<sup>52</sup> The project of a State Bank was revived and generally discussed that fall and winter.<sup>53</sup>

**Report of Senate Committee in favor of State Bank.** — The Governor's Message of Dec. 4, 1832 discussed the question, and on Jan. 29, 1833 the Senate committee on finance and a circulating medium, to which that part of the message had been referred, reported that the banking capital of local banks in Ohio actually employed was estimated at \$2,000,000, while the amount needed was probably not over 8 to 10 million. The committee was of the opinion that a State Bank in which the State should own 1/5 the stock and elect that proportion of the directors, would best fill the vacuum and establish a sound and uniform currency.<sup>54</sup>

**Bill before Legislature for State Bank.** — A bill was introduced before the legislature which provided for a state loan of \$7,000,000 at 4% as a means of raising funds to organize a State Bank with branches, somewhat on the plan of the Louisiana State Bank, the subscriptions of stock in the bank to be secured by real estate, and the State to subscribe for part of

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<sup>50</sup> Niles, 42:436. Aug. 18, 1832.

<sup>51</sup> Division and Reunion — Wilson, p. 81.

<sup>52</sup> Niles, 43:89. Oct. 6, 1832.

<sup>53</sup> Dayton Jour. & Advertiser, Dec. 4, 1832.

Dayton Whig & Miami Democrat, Dec. 29, 1832.

<sup>54</sup> Ohio Senate Journal, 1833, p. 390.

the stock directly. The idea was for this bank to have a practical monopoly of banking in the state.<sup>55</sup>

**Subject postponed till December 1833.** — Two other bills were reported to the legislature, for the incorporation of a State Bank, but none of the three could command sufficient support to effect its passage, and doubt was expressed as to whether a majority in the legislature were not opposed to a State Bank in any shape.<sup>56</sup> There were also "innumerable applications for local banks," and the opinion was expressed while the State Bank bill was pending that the only reason to anticipate a failure of its passage was the jarring interests, excited by the various applications for local banks, some of which were pressed with strenuous efforts. To buy these off, it was said, it would be necessary to give them branches of the State Bank.<sup>57</sup> All sorts of objections were raised to the State Bank as proposed.<sup>58</sup> A minority report of the House Committee on a State Bank, on Feb. 2, reported against its being established that session: first, because the situation did not then call for it; second, because public opinion was not fully expressed.<sup>59</sup> Probably few were surprised when early in February it was announced that by common consent the project was to lie over until the next session of the legislature.<sup>60</sup> On Feb. 14, the bill was taken up and postponed until the following December.<sup>61</sup>

**Two Million-Dollar Banks authorized in Cincinnati.** — Instead of passing a bill to incorporate a State Bank, which should control all the monied institutions of the state, the legislature contended itself for that session with authorizing the Commercial Bank of Cincinnati to increase its capital stock from \$500,000 to \$1,000,000,<sup>62</sup> and granting a charter to the Franklin Bank of

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<sup>55</sup> Dayton Journal and Advertiser, Jan. 8, 1833.

Dayton Republican, Jan. 15, 1833.

Niles, 43:330, Jan. 19, 1833.

<sup>56</sup> Dayton Journal, Feb. 12, 1833. Also Niles, 44:2, Mar. 2, 1833.

<sup>57</sup> Dayton Journal and Advertiser, Jan. 8, 1833.

<sup>58</sup> Dayton Journal, Jan. 15 and 22, 1833.

<sup>59</sup> Ohio House Journal, 1833, p. 403.

<sup>60</sup> Dayton Republican, Feb. 5, 1833.

<sup>61</sup> Dayton Journal, Mar. 5, 1833.

<sup>62</sup> Niles, 43:387, Feb. 9, 1833.



Cincinnati, on Feb. 19, 1833, which authorized it to organize with a capital stock of \$1,000,000.<sup>63</sup>

**Message of Governor Lucas, December 1833.** — Notwithstanding these considerable additions to the banking capital of the state there still remained a deficiency in the circulating medium. In commenting on this, Gov. Robert Lucas, in his message of Dec. 3, 1833, spoke of the prosperity of the people and mentioned several causes ascribed for the deficiency; but added that he conceived the latter to be the natural result of the termination of the state's public expenditures, about \$5,000,000 having within a few years been expended within the state for canal building. This sum, he continued, had during the progress of the work been thrown into circulation and had formed a considerable part of the currency of the state; so that its withdrawal from the floating capital of the state due to the termination of the public expenditures and the ordinary course of business was severely felt by a certain portion of the community. As a remedy he recommended a State Bank.<sup>64</sup>

**Banking Capital in Ohio held by Non-Residents.** — One of the features of the State Bank bill that had been before the legislature the previous session was a provision that none but citizens of Ohio, who were owners of real estate situated in Ohio, should be subscribers to its stock.<sup>65</sup> Much of the banking capital employed in Ohio at that time was owned by non-residents. And the argument was brought forward that a State Bank would mean a big saving to the people of Ohio through reducing the large interest payments then being paid on this foreign capital.

In arguing in favor of the State Bank which had just been advocated by Governor Lucas, in the message referred to above, the *Ohio Monitor* quotes from the Cincinnati Republican some

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<sup>63</sup> Local Laws of Ohio, Vol. XXXI. (1833), p. 123.

<sup>64</sup> Ohio House Journal, 1834, p. 9.

<sup>65</sup> A further provision was that the subscribers should not transfer their stock to persons differently situated until after one year, when they might transfer it to any owner of real estate in Ohio. — *Dayton Republican*, Jan. 15, 1833.

figures as to the amount of banking capital then employed in Ohio.

BANKING CAPITAL IN OHIO IN DECEMBER, 1833.

Capital employed in Branches of United States Bank (practically all held by non-residents).....	\$1,700,000
Capital of local banks held by non-residents.....	1,650,000
<hr/>	
Total held by non-residents.....	\$3,350,000
Capital of local banks held by citizens of Ohio.....	1,380,000
<hr/>	
Total amount of banking capital employed in Ohio....	\$4,730,000

**Annual Cost of Foreign Banking Capital to People of Ohio.** — The article then goes on to say that on all this foreign capital the people were paying about 9% interest each year, since the dividends of the banks ranged from 8 to 10% a year; that on the \$3,350,000 of stock held by non-residents this interest amounted to \$301,500, which was carried out of the state and pocketed by eastern and foreign capitalists. The point was then made that the money necessary to organize a State Bank could be obtained on long time state bonds directly from the East or Europe at 4%. That is, that the difference between 4% and 9%, or 5%, amounting to \$167,500, would represent the annual saving to the state under the proposed new system. In other words, the article continued, under the proposed system the same amount of interest as was then paid on 3½ millions of foreign capital would furnish nearly \$8,000,000.<sup>66</sup>

**Ohio Bank Notes depreciated beyond Vicinity of Issuing Bank.** — The point was also made that the currency furnished by the local banks was but a poor one anyway, because the notes of a local bank might be very good in the immediate vicinity of the institution issuing them; but by the time they had traveled one hundred miles from home, they were refused unless at a discount, or, what too frequently happened, they were refused at any price.<sup>67</sup>

**Financial Disturbances early in 1834.** — Soon after that the bills of Ohio banks in general were said to be at from 4

<sup>66</sup> Ohio Monitor, Dec. 12 and 19, 1833.

<sup>67</sup> Ohio Monitor, Dec. 19, 1833.

to 5% discount at Cincinnati, and several of the Ohio banks were reported to be very much embarrassed.<sup>68</sup> By January 1834, drafts on New York, which had until shortly before been easily procured at 1%, could scarcely be obtained at all in Ohio. A letter of January 10, 1834, from a Cleveland gentleman to one in New York states: "If matters continue long as they now are, the exchange will be 3 or 4% on New York."<sup>69</sup> He attributed this to the embarrassed state of money matters in the East. That section was then undergoing one of those disturbances to commerce, banking, and business generally, which were so numerous from 1834 to 1838.<sup>70</sup> And the pressure was beginning to be felt in the West and Southwest. Many doleful letters on the subject were published about that time in Niles Register from Mississippi and Louisiana.<sup>71</sup> And that paper of the date of April 5, 1834, prints a letter from an Ohio man telling of the general distresses.<sup>72</sup> The Albany Daily Advertiser about that time reported that some of the Ohio banks had stopped specie payment and that others were "tottering."<sup>73</sup>

**Defeat of the State Bank Bill.** — The suspended and tottering Ohio banks referred to in the article mentioned above were probably unauthorized banks, many of which were continually springing up in the state during this period. But the number of chartered banks in the state was also largely increased early in 1834. The opposition to the State Bank on the part of many local banks that wanted charters from the legislature was so strong that the bill providing for a State Bank was killed in the legislature in January, the vote against it in the Senate on January 20th being 19 to 15.<sup>85</sup>

**More Local Banks Chartered.** — Soon after the State Bank bill was defeated the legislature proceeded to grant charters to a batch of ten new local banks, the combined authorized capital of which amounted to \$4,400,000. The name, location,

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<sup>68</sup> Niles, 45:434, Feb. 22, 1834.

<sup>69</sup> Niles, 45:373, Jan. 25, 1834.

<sup>70</sup> Financial History of the U. S. — Dewey, pp. 188 and 218.

<sup>71</sup> Niles, 46:86, Apr. 5, 1834.

<sup>72</sup> *Ibid.*, p. 84.

<sup>73</sup> Niles, 46:18, Mar. 8, 1834.

authorized capital stock, and date of charter of each of these banks are shown in the following table.

BANKS CHARTERED BY THE OHIO LEGISLATURE IN 1834.

Name.	Location.	Date of charter.	Capital stock authorized. <sup>a</sup>
<sup>74</sup> Ohio Life Insurance & Trust Co.	Cincinnati ...	Feb. 12....	\$2,000,000
<sup>75</sup> Bank of Wooster.....	Wooster ....	Feb. 14....	100,000
<sup>76</sup> Bank of Massillon.....	Massillon ...	Feb. 27....	200,000
<sup>77</sup> Bank of Xenia.....	Xenia .....	Mar. 1....	100,000
<sup>78</sup> Bank of New Lisbon.....	New Lisbon..	Mar. 3....	100,000
<sup>79</sup> Lafayette Bank of Cincinnati..	Cincinnati ...	Mar. 3....	1,000,000
<sup>80</sup> Bank of Circleville.....	Circleville ..	Mar. 3....	200,000
<sup>81</sup> Bank of Cleveland.....	Cleveland ...	Mar. 3....	300,000
<sup>82</sup> Bank of Sandusky.....	Sandusky ...	Mar. 3....	100,000
<sup>83</sup> Clinton Bank of Columbus.....	Columbus ...	Mar. 3....	300,000

The Clinton Bank of Columbus organized by office-holders.—Of the bank last mentioned above, the Clinton Bank of Columbus, it was claimed that the agents for lobbying it into existence had “covertly and hypocritically stifled the State Bank (an actual democratic bank; the People’s bank)” ; and the charge was also made, within a year or two of its incorpora-

<sup>74</sup> Local Laws of Ohio, Vol. XXXII, (1834), p. 68.

<sup>75</sup> Ibid., p. 76.

<sup>76</sup> Ibid., p. 197.

<sup>77</sup> Page 283.

<sup>78</sup> Page 293.

<sup>79</sup> Page 299.

<sup>80</sup> Page 343.

<sup>81</sup> Page 407.

<sup>82</sup> Page 412.

<sup>83</sup> Page 419.

<sup>84</sup> See Dayton Jour., Mar. 11, 1834.

<sup>85</sup> Dayton Jour., Feb. 11, 1834.

Niles, 45:396, Feb. 8, 1834.

See following, page 390.

tion, that its directors were largely state and national office-holders, the *Ohio Monitor* of Feb. 4, 1836, stating that "the directory of that bank contains four United States office-holders (the whole of the civil officers in the place) and two state officers." The stock of this bank was all subscribed by September and notice published that the meeting for the election of its thirteen directors would be held Oct. 2, 1834.<sup>86</sup>

**Capital Stock of new Banks over-subscribed.**—In fact the capital stock of all ten of these banks was rapidly taken up in spite of the financial disturbance early in 1834. On the day early in April when the books were opened in the town of Wooster for receiving subscriptions to the stock of the Bank of Wooster, \$25,800 more than the whole amount authorized was subscribed, nearly all, too, by citizens of the town and county. Towards the close of the time allowed for the books to remain open there was a press to get stock, and it was said that had the amount authorized been 50% more, it would easily have been subscribed.<sup>87</sup>

When the books for subscription to the stock of the Bank of Cleveland closed on April 10, in accordance with the provisions of its charter, \$393,200 had been subscribed, an excess of \$93,200 over the capital authorized. The *Dayton Journal* of April 15, 1834, in commenting on this observed: "The promptness with which the stock of this bank has been taken up, is a flattering indication of the continued prosperity of the country and the confidence of capitalists in the value of the investment. The time for opening the books was the most unfavorable that could be, yet with all the cry of pressure and panic, there seems to be no lack of money when a profitable investment is to be made."

**The Ohio Life Insurance and Trust Company.**—Only \$1,000,000 of the capital stock of the Ohio Life Insurance and Trust Company was for banking purposes, and its privilege of issuing notes was to expire January 1, 1843, the date when most

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<sup>86</sup> *Ohio Monitor*, Oct. 1, 1834.

<sup>87</sup> *Ohio Monitor*, Apr. 16, 1834.

Also *Dayton Journal*, Apr. 15, 1834.



of the bank charters in the state expired. Besides the power of note issue and other banking powers, this company was given authority to insure lives, to purchase and grant annuities, to receive and execute trusts of all kinds, and to buy and sell drafts and bills of exchange. Its management was in the hands of twenty trustees who must individually be stockholders to the amount of \$5,000.<sup>88</sup>

The institution was one of the largest in the country, and it aroused a good deal of opposition among those who, even at that date, feared the growth of corporate monopoly. It was bitterly denounced as placing dangerous power in the hands of a few.<sup>89</sup> The following paragraph from an address of the Hon. R. T. Lytle in 1835 illustrates the popular feeling regarding "this new and dangerous monopoly," which loaned money all over the state on real estate security.<sup>90</sup>

"The rate of interest at which they let out money, is nominally 7%, but in fact (in most cases) the rate averages from 10 to 15. . . . For instance, the borrower, before he can procure one cent of money is obliged to pay the agent of this bank for examining all the title papers of his land that is to be mortgaged, to pay for the execution and recording of a mortgage deed; to lose time in effecting the loan, so that it will cost him from 10 to 15% the first year besides the interest; and immediately upon receiving the loan the borrower has to advance, for the first six months' interest, at the rate of 7% per annum. At the end of every six months prompt payment is demanded, and if it should not be made at the day, yes, at the hour, it becomes due, the company can foreclose the mortgage, force a sale, and thus at one stroke sweep from a man his farm for the paltry sum of \$100 or \$200."<sup>91</sup>

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<sup>88</sup> Cincinnati in 1841 — Charles Cist, p. 50. In 1841, M. T. Williams was President, J. M. Perkins, Cashier, and the Board of Trustees were from Cincinnati, Warren, Gallipolis, Columbus, Cadiz, and Dayton, Ohio, and also New York, Boston, Philadelphia, and New Orleans.

<sup>89</sup> Niles, 49:91, Oct. 10, 1835.

<sup>90</sup> Besides issuing its own notes, this company borrowed money all over the country at 3 to 4% interest, and then upon this capital it discounted at 7% payable in advance. — *Ohio Monitor*, May 13, 1846.

<sup>91</sup> *Ohio Monitor*, (Columbus), Aug. 12, 1835.

The wide distribution of the operations of this company is illustrated by the fact that in January 1836, it had loans secured by real estate in at least 67 counties in the state, the amounts loaned in each county varying from a few hundred dollars to half a million. The total amounted to \$1,858,099 and was secured by pledges of real estate to the estimated value of \$4,338,117.<sup>92</sup>

The report of the master commissioner on this company in 1836 speaks of the ability and integrity with which its affairs were conducted, of the prudence, safety, and productiveness of its investments, and of the safety of those holding its investments.<sup>93</sup> Nevertheless there was a bill before the legislature that year to repeal its charter. This bill had the support of most of the Democratic papers in the state, though some of them favored the bank.<sup>94</sup>

The *Ohio Monitor* of March 14, 1836 gives a list of the stockholders of the Ohio Life Insurance and Trust Co., with the number of shares and amount of stock held by each, and comments regarding the stock thus: "Most of which, as may be discovered, is owned by the Wall Street gentry of New York." This paper also names the 20 trustees of the company, adding: "Three only, we believe, are citizens of Ohio and professing to belong to the democratic party." When the bill to repeal the charter of the company came to a vote in the legislature, however, it was postponed indefinitely by a vote of 40 to 27.<sup>95</sup>

**Revival of Miami Exporting Co. and Urbana Banking Co.**  
—After the ten banks chartered by the Ohio legislature in February and March 1834, no more were chartered that year; but the Urbana Banking Co., which had failed some time before 1830, was again doing business early in 1834.<sup>96</sup> and the

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<sup>92</sup> *Ohio Monitor*, Jan. 18, 1836. For amount loaned in each county see Appendix, p. 494.

<sup>93</sup> *Ohio Executive Document*, 1836, No. 1.

<sup>94</sup> *Ohio Monitor*, (Columbus), Feb. 25 and 29, and Mar. 10, 1836.

<sup>95</sup> *Ohio Monitor*, (Columbus), Mar. 14, 1836.

<sup>96</sup> *Ohio Senate Journal*, 1834, p. 638. See also Chapter V, p. 132.

Miami Exporting Co., which had been compelled to close its doors in 1822,<sup>97</sup> was revived and again put into operation during the year.<sup>98</sup>

In his message of December 2, 1834, Governor Lucas stated that \$1,250,000 had already been paid in on the capital stock of eight of the banks incorporated at the previous session of the legislature; and in commenting on this he added: "The readiness with which the stocks in those banks has been taken is a cheering evidence of the existence of capital in the State."<sup>99</sup>

**Number and Capital of Ohio Banks in March 1835.** — At the next session of the legislature a great many petitions for new banks were presented,<sup>100</sup> but the legislature refused to grant a single charter.<sup>101</sup> At that time, however, there were twenty-seven authorized banks in operation in the state and their condition was generally considered quite sound.<sup>102</sup> These consisted of ten of the eleven old banks remaining in 1830,<sup>103</sup> the thirteen new ones chartered from 1831 to 1834, and four others chartered prior to 1830, but which had been either revived after failing once, or encouraged to issue their capital stock, which had previously remained unsubscribed.

The main facts as to their financial condition may be seen from the following items from reports made by them to the state auditor in January 1835.

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<sup>97</sup> See Chapter I, p. 260, and Chapter V, p. 346.

<sup>98</sup> Ohio House Journal, 1837, p. 139.

<sup>99</sup> Ohio House Journal, 1835, p. 16.

<sup>100</sup> Ohio Executive Document, 1844, No. 1, p. 17.

<sup>101</sup> Niles, 48:145, May 2, 1835.

<sup>102</sup> Dayton Journal, Mar. 10, 1835.

Ohio Senate Journal, 1835, p. 202. (Minority Report of Committee on Finances, Jan. 7, 1835).

<sup>103</sup> See Chapter V, p. 349. The Bank of Steubenville had dropped out in the meantime.

STATISTICS OF OHIO BANKS, MARCH 1835.

Authorized capital stock.....	\$12,200,000
Capital stock paid in.....	5,847,525
Specie .....	2,489,912
Discounts .....	6,799,247
Total circulation .....	4,564,898
Circulation under \$5.....	1,128,577
Circulation over \$5.....	3,382,321

From the foregoing it appears that the entire circulation of the chartered banks in Ohio at that time was considerably less than their paid in capital,—while they had on hand more than one dollar of specie for every two dollars in circulation, which indicates a very good condition. This conclusion is strengthened by a report of the committee on finances made to the Ohio Senate January 7, 1835, which says: “The banks of Ohio are sound and conducted with prudence and security to the public, nor is there a suggestion of inability or want of disposition to fulfill their engagements.”<sup>104</sup>

**Details of Ohio Banking Statistics in 1835.**—The available banking statistics of the time, however, are so scattering that it is difficult to draw definite conclusions. For example, the Ohio State Auditor’s report of January 30, 1835 on the condition of the Ohio banks gives reports for only sixteen banks,<sup>105</sup> whereas there were nearly twice that many in the state. A statement in relation to state banks transmitted to the United States House of Representatives by Secretary of the Treasury, Levi Woodbury, on January 5, 1836 lists thirty-one local banks in Ohio in 1835.<sup>106</sup> The statistics of fifteen of

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<sup>104</sup> Ohio Senate Journal. 1835, p. 202.

<sup>105</sup> Ohio Senate Journal, 1835, p. 523.

A part but not all of the banks in the state were required by their charters to make regular reports to the state auditor.—See Report Aud. of State, Jan. 1836, relative condition certain banks.

<sup>106</sup> H. R. Doc. No. 42, 24th Cong., 1st Session, pp. 78 and 79.

See also “A Hist. of the State of Ohio”—Atwater, (1838), p. 315.

them, evidently taken from the state auditor's report mentioned above, are given pretty fully for January 1835; the next three are also fairly complete, but for May 1835; then follow six as of November 1835 with pretty complete statistics; three as of January 1835, with figures for loans, specie, capital, and circulation; and 2 as of January 1835 with figures only for specie capital and circulation; while the last two are named without giving any statistics.

The first twenty-four banks named show the following totals.

CONDITION OF TWENTY-FOUR OHIO BANKS IN 1835.

Stocks .....	\$2,500 00
Loans and Discounts.....	9,751,973 20
Real Estate .....	108,501 31
Due from Banks.....	1,433,836 93
Bank Notes .....	1,272,268 53
Specie .....	1,707,835 95
Other Investments .....	44,531 37
Capital .....	5,819,692 28
Deposits .....	2,090,065 65
Due to Banks.....	667,942 50
Circulation .....	5,221,520 86
Other Liabilities .....	213,713 94

**Proportion of Specie to Circulation.**—The foregoing figures show a proportion of specie to circulation of nearly one-third. The proportion shown by nineteen banks reporting in January was 30%; the three reporting in May showed 45%, and the six reporting in November 35%; while the twenty-eight banks for which figures of specie and circulation were given show that they had specie on hand equal to fully a third of their circulation.

The amount of loans, specie, capital, and circulation shown for each bank, together with the totals, are given in the following table, the cents, however, being omitted.



STATISTICS OF CHARTERED BANKS IN OHIO IN 1835.<sup>107</sup>

Name of Bank. <sup>108</sup>	Loans and Dis- counts.	Specie.	Capital.	Circulation.
1. Lancaster, Ohio, Bank.....	\$556,394	\$79,415	\$184,700	\$357,529
2. Dayton Bank .....	242,719	92,250	102,640	214,125
3. Farmer's Bank of Canton.....	169,691	51,973	70,000	207,091
4. Belmont Bank of St. Clairsville...	275,065	44,401	155,550	197,978
5. Commercial Bank of Lake Erie...	507,770	51,599	219,344	504,745
6. Urbana Banking Company.....	141,478	30,309	50,241	136,402
7. Bank of Sandusky.....	36,885	18,042	50,000	34,000
8. Western Reserve Bank.....	232,115	50,816	144,057	149,175
9. Chillicothe Bank .....	518,167	85,129	250,500	362,782
10. Bank of Muskingum.....	125,832	30,465	110,650	111,372
11. Bank of Marietta.....	126,322	17,018	71,750	82,451
12. Commercial Bank of Scioto.....	123,687	17,316	92,892	78,648
13. Bank of Mt. Pleasant.....	299,520	38,919	187,784	137,037
14. Franklin Bank of Columbus.....	567,942	152,745	434,425	345,376
15. F. & M. Bank, Steubenville.....	260,334	61,818	117,315	229,576
16. Commercial Bank of Cincinnati.....	1,481,465	141,849	1,000,000	288,817
17. Franklin Bank of Cincinnati.....	1,622,234	175,152	1,000,000	372,514
18. Clinton Bank of Columbus.....	367,614	82,605	155,000	198,336
19. Bank of Zanesville.....	264,247	40,326	146,510	193,505
20. Bank of Circleville.....	388,873	60,352	200,000	243,000
21. Bank of Norwalk.....	275,239	31,522	132,521	222,120
22. Bank of Xenia.....	124,638	65,603	74,040	105,000
23. Ohio Life & Trust Co.....	898,707	259,588	675,367	536,390
24. Bank of Hamilton.....	145,027	28,613	65,000	86,550
25. Bank of Cleveland.....	73,660	50,056	102,000	76,998
26. Bank of Massillon.....	155,180	71,345	100,000	176,048
27. Bank of Wooster.....	90,435	48,118	62,048	98,941
28. Bank of Geauga.....	.....	39,359	57,000	80,541
29. Lafayette Bank of Cincinnati.....	.....	.....	250,000	.....
Total .....	\$10,071,250	\$1,916,715	\$6,390,741	\$5,654,048

<sup>107</sup> House Document, No. 42, 24th Cong., 1st Sess. pp. 82 and 83. Jan. 1836.<sup>108</sup> Two other banks named but without figures: The Columbiana Bank of New Lisbon and the Miami Exporting Company of Cincinnati.

**Distribution of Chartered Banks by Counties and Ratio of Capital to Population in 1835.**—The 31 chartered banks in Ohio in 1835 were located in twenty-two counties whereas only nine counties had authorized banks in 1830. The relation of paid in capital stock to population for the whole state in 1835 was about \$5.50 to each person, while in 1819 it was approximately \$4.00, and in 1830 only a little over \$1.50.<sup>109</sup>

The distribution of the authorized banks by counties in 1835, the estimated population of each county in which a bank was located, the total capital stock of the banks in each county, and the amount per capita in each county are shown in the following table.

<sup>109</sup> See Chapter III, p. 307, and Chapter V, p. 349.

## DISTRIBUTION OF BANKS AND CAPITAL IN OHIO IN 1835.

Name of Bank. <sup>114</sup>	County.	Population in 1835. <sup>115</sup>	Number of Banks.	Capital Stock.	
				Paid in.	Per Capita. <sup>113</sup>
Belmont Bank of St. Clairs-ville .....	Belmont .....	29,764	1	\$155,550	\$5.226
Bank of Hamilton .....	Butler .....	27,668	1	65,000	2.350
Urbana Banking Company..	Champaign .....	14,376	1	50,242	3.495
Columbiana Bank of New Lisbon .....	Columbiana .....	37,985	1	<sup>111</sup> 90,000	2.369
Commercial Bank of Lake Erie .....	Cuyahoga .....	18,440	2	219,344	19.053
Bank of Cleveland .....	Erie .....	<sup>110</sup> 12,529	1	102,000	
Bank of Sandusky .....	Fairfield .....	23,355	1	50,000	3.969
Lancaster, Ohio, Bank .....	Franklin .....	19,895	2	184,700	6.514
Franklin Bank of Columbus.	Greene .....	16,165	1	434,425	29.627
Clinton Bank of Columbus..				155,090	
Bank of Xenia .....	Hamilton .....	66,231	5	74,040	4.580
Commercial Bank of Cincinnati .....				1,000,000	
Franklin Bank of Cincinnati	Huron .....	18,637	1	1,000,000	48.655
Ohio Life & Trust Co., Cincinnati .....				675,367	
Lafayette Bank of Cincinnati	Jefferson .....	23,760	2	250,000	7.111
Miami Exporting Co., Cincinnati .....				<sup>112</sup> 297,085	
Bank of Norwalk .....	Lake .....	<sup>110</sup> 13,719	1	132,521	7.111
Bank of Mt. Pleasant .....				187,384	
Farmers' & Mechanics' Bank of Steubenville .....	Montgomery .....	23,150	1	117,320	12.824
Bank of Geauga, Painesville .....	Muskingum .....	34,042	2	110,650	
Dayton Bank .....	Pickaway .....	17,863	1	146,511	11.196
Bank of Muskingum, Putnam .....	Ross .....	25,764	1	200,000	
Bank of Zanesville .....	Scioto .....	9,966	1	350,000	13.596
Bank of Circleville .....	Stark .....	30,569	2	92,892	
Bank of Chillicothe .....	Trumbull .....	32,130	1	70,000	5.561
Commercial Bank of Scioto, Portsmouth .....	Washington .....	16,277	1	100,000	
Farmers' Bank of Canton..	Wayne .....	29,571	1	144,058	4.484
Bank of Massillon .....				71,750	4.408
Bank of Marietta .....				62,049	2.038
Bank of Wooster .....					
Total for 22 counties..		551,926	31	\$6,777,828	\$12.280
Total for State (78 counties) .....		1,228,685	31	6,777,828	5.516

<sup>115</sup> The population figures here given were obtained by adding to the population of the various counties in 1830 one-half the gain as shown by the census figures of 1840.

<sup>110</sup> Population in 1840. County not organized in 1830.

<sup>114</sup> List of banks and capital as given in Secretary of the Treasury, Levi Woodbury's statement in relation to State Banks and Banking Companies, transmitted Jan. 6, 1836, H. R. Doc. No. 42. 24th Cong., 1st Sess. Pages 78 to 83.

<sup>111</sup> Amount given in the report of the Ohio Bank Commissioners of Dec. 17, 1842, page 32.

<sup>112</sup> Amount given in Gouge's Journal of Banking, June 22, 1842, page 403.

<sup>113</sup> Computed by dividing the banking capital in each county by the population of the county in 1835.

**Climax of the Inflation in 1836.**—In 1836 the second period of bank note inflation in Ohio reached its climax, the circulation of the authorized banks in the state, as reported to the United States Treasury, amounting to \$9,675,644, a point not attained again until 1850.<sup>116</sup> This was an increase of more than 70% over the circulation in 1835. The loans and discounts in 1836 also showed an increase of nearly 70% over those of 1835, the amount reported in 1836 being \$17,079,714.<sup>117</sup>

**The "No Bank" Party in Power.**—These gains were made by extending the operations of the existing banks rather than by increasing the number of banks, only one new bank being organized in the state in 1836, which brought the number of Ohio banks up to thirty-two.<sup>118</sup>

That no more banks were chartered at this time, when all over the country the demand for more banking facilities was at its height, was largely due to the fact that the hard money wing of the Democratic party was gaining power in the state legislature. This faction, known as the "no bank" party and just coming to be called "Loco focos", were inclined to believe with Jackson that gold and silver were the "true constitutional currency" of the country, and to look askance upon the rapid increase of banks and paper money.<sup>119</sup>

**Report of Legislative Committee against chartering more Banks.**—The legislature in 1835 had refused to charter any banks,<sup>120</sup> the House committee on banking in reporting February 13 against the incorporation of a bank at Youngstown, de-

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<sup>116</sup> Report of U. S. Comptroller of the Currency, 1876, p. CXVI.

See also Appendix, p. 511.

<sup>117</sup> Ibid. Also Hist. of Ohio—Atwater, p. 315.

For figures of 1835 see preceding, p. 375.

<sup>118</sup> The Bank of Manhattan was organized at Toledo, Ohio, Mar. 25, 1836.—History of Banking—Knox, p. 677.

This bank had originally been incorporated under the laws of the Territory of Michigan, when jurisdiction was claimed by the latter. That jurisdiction was withdrawn before the bank began business. Michigan commenced court proceedings. The bank was closed by mandamus July 29, 1840.—Special rept. bank com'rs, 1842, p. 39. Laws of Ohio, 37:212.

<sup>119</sup> Division and Reunion—Wilson, pp. 90 and 95.

<sup>120</sup> Niles, 48:145. May 2, 1835.

claring that it was questionable whether the citizens of the state favored the establishing of any more banks.<sup>121</sup> A similar legislative committee in 1836, considered petitions to establish banks at thirty-four places, reported that while a large proportion of the existing banks were enabled by their charters to extend their capital to \$500,000 very few had done so, some employing less than half that amount. The committee, observing that it seemed therefore that an increase of banking capital was not required, and adding that the produce of the state and all kinds of property were very high in value while the price of labor remained nearly as it was, concluded by recommending that no further banking privileges should be granted that session.<sup>122</sup>

**United States Treasury Department urges States to suppress Small Bank Notes.** — Closely related to this belief that the expansion of bank paper should not proceed too far at the expense of the metallic circulation was the passage of a law by the Ohio legislature on March 14, 1836, prohibiting the circulation of small bills.

The chief objections to small notes were: first, that they were more likely than larger notes to be issued and kept out in excess since they were very imperfectly convertible into coin, the holders being from poverty, ignorance, or distance so often unable to present them promptly at the proper place for redemption; and second, that they tended to drive out the specie from the districts where they passed current, thus increasing the amount of paper the bank might be called upon to redeem, and, at the same time, decreasing the amount of specie in the community which the bank might get in to use in redeeming

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<sup>121</sup> Ohio House Journal, 1835, p. 714.

The statement was made in this report that there was already a bank in Trumbull County with an authorized capital of \$500,000.

<sup>122</sup> Ohio House Journal, 1836, p. 522. See also Ohio Monitor, Jan. 21, 1836.

From the table given above on page 373 it may be seen that in 1835, the 27 banks with an authorized capital of \$12,200,000 had paid in capital of only \$5,847,525.

its notes. In short the small notes militated against convertibility and tended to produce excess.<sup>123</sup>

In his report on the currency February 24, 1820, Secretary of the Treasury Wm. H. Crawford had advocated restraining banks from issuing notes of small denominations, as one means of preventing fluctuations in the currency. And Albert Gallatin in 1831 urged the states to suppress small notes as a means of enlarging the circulating metallic currency, pointing out that as a currency small notes were exclusively local, and that in case of any bank failure the loss arising from them fell most heavily on the poorer class of the community, since they were most likely to be the holders of the small notes.<sup>124</sup> During most of the 30's the United States Treasury Department kept urging the states to exclude the small bank notes from circulation so as to enlarge the quantity of specie in the country and increase the use of it.<sup>125</sup>

**Governor Lucas recommends Prohibition of Bills less than \$5.**—In October 1834 the Albany Argus stated that New York was about to prohibit the issue of all bills under \$5.<sup>126</sup> The same thing was urged upon other states by Governor Marcy of New York. A letter of his on the subject was transmitted to the Ohio legislature by Governor Lucas in his message of December 2, 1834, which recommended favorable action.<sup>127</sup>

**Committee of Ohio Legislature reports Right to issue Small Bills a Vested Right granted in Bank Charters.**—The legislature at once referred the subject to a joint committee of both houses,<sup>128</sup> which reported a fortnight later, December 23, that while there probably was an alarming disproportion between

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<sup>123</sup> See Money, Trade, and Industry—Walker, pp. 303-305.

The point was also made that the small notes were largely held by the very class most likely to be the first subjects of a panic.

<sup>124</sup> Considerations on the Currency—Gallatin, p. 57.

On January 31, 1831, the Ohio legislature passed an act to prohibit within the state the circulation of foreign bank bills less than \$5.—Laws of Ohio, XXIX, (1831), p. 460.

<sup>125</sup> Reports on Finance, 1837-44, p. 252.

<sup>126</sup> Niles, 47:129, Nov. 1, 1834.

<sup>127</sup> Ohio House Journal, 1835, p. 16.

<sup>128</sup> Niles, 47:293, Jan. 3, 1835.



the quantity of specie and notes in New York, the same was not true in Ohio. Yet, they added, other reasons of convenience and expediency would lead them to favor the suppression of notes less than \$5, if the legislature had not granted the rights in the charters of the banks; but, these rights thus being vested rights, direct legislation was not practicable, though indirectly the legislature might discredit such small notes by prohibiting the state and county treasurers from receiving for taxes notes less than \$5 or of any denomination issued by an Ohio bank unless it should before July 4, 1835 notify the auditor that it would cease to issue notes less than \$5 and surrender the privilege.<sup>129</sup>

**Extent of Circulation of Small Bills.** — Niles, commenting on the measure in his *Weekly Register* of January 3, 1835, expressed the opinion that very few bills of Ohio banks less than \$5 were circulating in Ohio, hence that if small notes were suppressed there, the effect would chiefly be on those of New York which abounded in Ohio.<sup>130</sup>

A report of the Ohio state auditor, January 19, 1835, on the extent of the circulation of small bills, gave returns of twenty-two banks as follows: of \$1 bills outstanding, \$17,067; of \$2 bills, \$97,928; of \$3 bills, \$313,449; while the total amount in circulation was \$1,052,729.58.<sup>131</sup> At that time it was said in the New England States, New York, and New Jersey the amount of bills less than \$5 was equal to nearly half the aggregate of all bills issued in those states, and that the amount of them issued in those states alone equaled 8/9 of the specie in all the state banks in the country.<sup>132</sup>

Niles' *Register* of April 4, 1835 reported that New Jersey and Maine had both passed bills prohibiting notes less than \$5; and that Pennsylvania, Maryland, Virginia, and several other states were all without a circulation of bank notes less than \$5.<sup>133</sup> The Ohio legislature, however, apparently did not think

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<sup>129</sup> Ohio Senate Journal, 1835, p. 128.

<sup>130</sup> Niles, 47:293.

<sup>131</sup> Ohio Senate Journal, 1835, p. 432.

<sup>132</sup> Niles, 48:430, Aug. 15, 1835.

<sup>133</sup> Niles, 48:73.

conditions in the state warranted legislation at that time and the matter was allowed to go over until the next session.

**The Banks requested by the Legislature to surrender their Rights to issue Small Notes.** — Promptly upon the beginning of the following session in December 1835, however, the senate adopted a resolution instructing the state auditor to request the local banks, which were not bound by their charters to do so, to report to the legislature, among other things, the amount of notes on hand of denominations less than \$5 and to state whether they were "willing to surrender so much of their charters as authorized the issuing of bills of a less denomination than five dollars."<sup>134</sup>

**Replies of the Banks.** — The banks were to report by January 20, if convenient. Several, namely, the banks of Xenia, Massillon, Hamilton, and New Lisbon, together with the Lafayette Bank of Cincinnati sent in no answer to the last question. Three expressed unwillingness to comply unconditionally.<sup>135</sup> Five absolutely declined.<sup>136</sup> The directors of a number said that they had no power to surrender any of their franchise without the consent of their stockholders. The Bank of Norwalk, on January 1, 1836, replied: "The following facts are within the knowledge of the officers of this institution. That notwithstanding the law of this state prohibiting the circulation of small notes of foreign banks they continue to compose a considerable portion of our currency; that loans of such notes have been made by Eastern banks for use here; that the attempts in Eastern States to suppress them have not been successful; that loans of large amounts of small notes have been made by the banks in Ohio to be used in Eastern States, where their circulation is prohibited; and that such notes have obtained an extensive circulation from the presumed necessity of such a currency to supply the ordinary demands of business."<sup>137</sup>

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<sup>134</sup> Report of State Auditor, January, 1836.

<sup>135</sup> The Franklin Bank of Cincinnati, the Commercial Bank of Cincinnati, and the Dayton Bank.

<sup>136</sup> The Banks of Geauga, Norwalk, Steubenville, Marietta, Scioto, and St. Clairsville.

<sup>137</sup> Ohio State Auditor's Report, January, 1836, p. 13.

The Farmers' and Mechanics' Bank of Steubenville, on January 6, replied favorably but thought the withdrawal of the small notes ought not to be sudden.<sup>138</sup> The Franklin Bank of Columbus stated that it feared the sudden withdrawal of such notes "would produce not only inconvenience, but much public distress. To supply their place in the circulation would, necessarily, require nearly one-fourth of the specie now in the banks, and a curtailment of discounts must follow, in the prudent exercise of banking to double that amount. The consequence must be a very general derangement in the business of the State. It is also apprehended that reluctance will be felt to pay large proportions of specie in exchange for the notes of distant banks, and that consequently a pernicious system of artificial depreciation and brokerage will be generated."<sup>139</sup>

**The Law of Mar. 14, 1836 prohibiting the Issue and Circulation of Small Notes by Ohio Banks.**— It will be seen from these replies that the Ohio banks did not display any violent enthusiasm over the invitation to give up their privilege of issuing small notes. But the legislature was bent on accomplishing this result, and since direct prohibition appeared a violation of vested rights, it resolved to try an indirect method through the taxing power.

By charter provisions the tax on the Commercial Bank of Cincinnati was limited to 4% on its dividends and that on the Franklin Bank of Cincinnati to 5%. All of the other banks in the state paid 5% on their dividends under the tax law of Mar. 12, 1831; but none of them was exempt from further taxation under a general law.<sup>140</sup> Consequently, on Mar. 14, 1836, the legislature passed a law which subjected all the banks in the state, except the two named above, to a tax of 20% on their annual dividends, unless they should by July 4, 1836 surrender their rights to issue or circulate bills less than \$3 after July 4, 1836, or less than \$5 after July 4, 1837. If the banks should surrender these rights then the tax on their dividends

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<sup>138</sup> *Ibid.*, p. 14.

<sup>139</sup> State Auditor's Report, January, 1836, p. 20.

<sup>140</sup> See case of Ohio Life Insurance and Trust Company vs. Henry Debolt, Treasurer of Hamilton County—16 Howard 421.

was to remain at 5% from the time of surrender.<sup>141</sup> The ascendancy of the Democrats in the legislature at that time is indicated by the vote on this measure. The law passed the Senate by a vote of 20 to 15, all the affirmatives being Democrats and all the negatives Whigs. In the House the vote was: for—38, all Democrats; against—28, all Democrats but 6.<sup>142</sup>

Of the thirty-two banks in Ohio at the time this law was passed, all but five surrendered the right to issue small bills.<sup>143</sup> From the high point of \$9,675,644 in 1836, the circulation of the Ohio banks declined to \$8,326,974.80 in January 1837.<sup>144</sup> That this decrease in circulation was due largely to the withdrawal of small notes is probable, since during this same period the capital stock, deposits, loans, and specie of the Ohio banks each increased, while in the country as a whole the circulation of the banks increased by over 9 million dollars. The effect of the small note law in Ohio, therefore, seems to have been to bring to a close the second period of inflation in the state.

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<sup>141</sup> *Ibid.*, p. 422. Also *Laws of Ohio*, Vol. XXXIV, (1836), p. 42.

<sup>142</sup> *Ohio Statesman*, (Columbus), June 27, 1838.

*Ohio House Journal*, 1836, pp. 711 and 712.

<sup>143</sup> *Ohio Executive Document*, 1838, No. 54.—Report of State Auditor, Jan. 16, 1839.

The 5 banks that neglected or refused to comply were: The Urbana Banking Co., the Bank of Circleville, the Miami Exporting Co., the Franklin Bank of Cincinnati, and the Commercial Bank of Cincinnati.

<sup>144</sup> *Ohio Executive Document*, 1836, No. 42.

## CHAPTER VII.

### THE PANIC OF 1837 AND THE RESULTANT PERIOD OF DEPRESSION. 1837-43.

**The National Government tries to check Bank Note Inflation.** — The prohibition of the issue and circulation of small notes in Ohio was but a part of a general movement at that time, a great many of the states being induced to take similar measures. Niles' Register of October 1, 1836 names thirteen other states that had already prohibited their banks from issuing any notes under \$5.<sup>1</sup> This movement was largely induced by the national administration, which also made arrangements with the deposit banks that they should not issue notes of less than \$20, nor of an amount greater than three times their specie. This was with the view of restricting the volume of bank notes and increasing the circulation of specie. But, as President Woodrow Wilson says, "no small expedients could stay the rising tide of bank circulation, could provide capital to uphold that circulation, or assuage the fever of speculation that had fallen upon the country."<sup>2</sup> The undue extensions of credit and speculation together with the other excesses incident to the rapid expansion of the period were about to bear fruit in panic and depression.<sup>3</sup>

**The Specie Circular.** — The inevitable crash was precipitated by President Jackson's famous specie circular of July 11, 1836. The remarkable increase in public land sales in 1835 and 36,<sup>4</sup> due to speculation principally, was bringing into the

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<sup>1</sup>The states named were: New York, Pennsylvania, Virginia, Georgia, Louisiana, Indiana, Alabama, New Jersey, Maryland, North Carolina, Tennessee, Kentucky and Maine. — Niles' Register, 51:80.

<sup>2</sup>Division and Reunion, p. 90.

<sup>3</sup>See Chapter VI, pp. 354 and 355.

<sup>4</sup>These receipts in 1835 were \$14,757,609.75; in 1836 they rose to \$24,877,179.86, exceeding for the first and last time the receipts from customs.

See Appendix, p. 493.

Also Dewey's Financial History, p. 217.



Treasury such a flood of depreciated bank paper, that the President, convinced no doubt that there were no longer any specie-paying banks, decided to assure the Treasury of sound money by confining the land receipts to gold and silver. Accordingly on July 11, 1836, the treasury department issued what is known as the "specie circular", which directed the land agents thereafter to accept nothing but specie in payment for public lands.<sup>5</sup>

**Relation of Bank Note Inflation to Public Land Sales. —**

The conspicuous part played by land speculation during the inflation period prior to 1837, and its close connection with bank note inflation have been noted in the preceding chapter.<sup>6</sup> The following diagram will illustrate how closely the receipts from public land sales were related to the circulation of bank notes.

**General Suspension of Specie Payment. —** The check put upon land speculation by the issue of the specie circular is indicated by the sudden drop in public land sale receipts from nearly twenty-five million dollars in 1836 to less than seven millions in 1837.<sup>7</sup> This of course seriously affected most of the western banks, and through them many of those in the East. The difficulty was increased by the credit entanglements of the banks due to the distribution of the surplus, which began in January, 1837.<sup>8</sup> About the same time financial troubles in England occurred and English creditors began to call in their loans, many of which had been made in this country.<sup>9</sup> This, together with an adverse balance of trade, caused a heavy drain for coin upon the banks in the seaboard cities with the result that, on May 10, 1837, the New York banks suspended specie payment.<sup>10</sup> The banks in the large northern cities followed the next day and those in all the rest of the country as soon as the news reached them.<sup>11</sup>

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<sup>5</sup> Division and Reunion — Wilson, p. 91.

<sup>6</sup> See pp. 355, 357, 358.

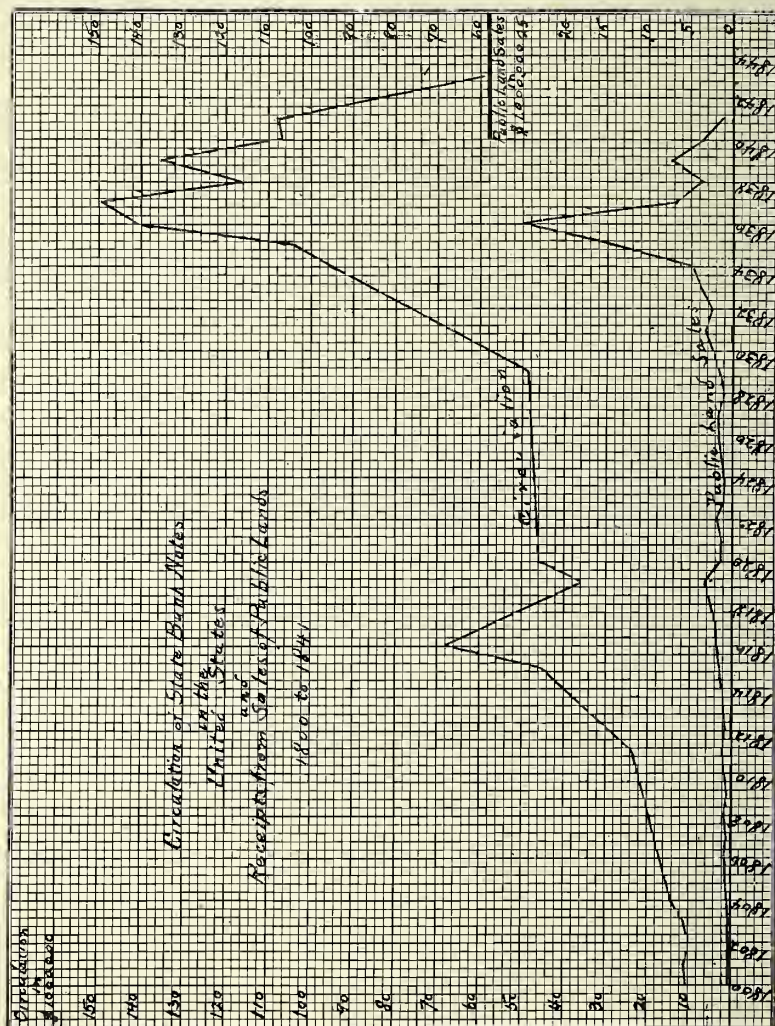
<sup>7</sup> See Appendix, p. 493.

<sup>8</sup> See Chapter VI, pp. 356-7.

<sup>9</sup> See Chapter VI, p. 353.

<sup>10</sup> Men and Measures of Half a Century — McCulloch, p. 59.

<sup>11</sup> Ibid., Also Dewey's Financial History, p. 230.



**The panic of 1837.** — The panic which had thus overtaken the country was intensified by American crop failures in 1837 and 1838 and a period of depression followed, which lasted until the summer of 1843.<sup>12</sup> "Commercial distress was deep-seated and recovery was slow; not until the latter half of 1838 did banks generally resume specie payments; even then some of the banks were unable to live up to their professions,—the banks of Philadelphia for example suspended again October 9, 1839, and did not resume effectively until March, 1842; in this vacillating and discouraging policy they were followed by many others, particularly in Rhode Island, New Jersey, and the South and West."<sup>13</sup>

**Causes of Suspension of Ohio Banks.** — The Ohio banks were no exception to the general suspension that took place in May, 1837. The causes which led to their suspension were stated by the Ohio banks to have been the previous suspension of all the eastern, northern, and southern banks and the consequent impossibility of converting their resources into coin.<sup>14</sup> They held that a continuance of specie payments under such conditions would have subjected them to heavy and constant drafts on their coin, and that, too, by banks of other states which had closed their doors to that mode of payment. They also mentioned, as a contributory factor, the refusal of the land offices to take bank paper in payment for public lands.<sup>15</sup>

The suspension by the Ohio banks was nearly simultaneous, and without concert, showing that similar views and similar feelings influenced them to the course they took.<sup>16</sup> They were generally considered to be in a sound condition at the time, and by general consent continued the gradual reduction of their circulation which they had begun in 1836.<sup>17</sup>

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<sup>12</sup> Crises and Depressions — Burton, p. 282.

<sup>13</sup> Financial History of the U. S. — Dewey, p. 232.

<sup>14</sup> Ohio Exec. Doc., 1837-8, No. 30. — Auditor's Rep't, Jan. 27, 1838.

It should be noted in this connection that the Ohio Statesman, (Columbus), of January 2, 1837, states that some of the Ohio banks had for six months been refusing the payment of specie.

<sup>15</sup> History of Banking in the U. S. — Knox, p. 675.

**Ohio Bank Convention, June 1837.**—On June 5, 1837 a convention of the Ohio banks was held at Columbus, at which twenty-three of the thirty-two chartered banks then in the state, were represented. The banks present pledged themselves not to part with any of their gold or silver; to manage their affairs so as to be able to resume specie payments at "any moment;" to receive of their customers in payment of debts the notes of all the banks represented in the convention; to discountenance improvident issues of paper,—each bank to pay out the paper of the others in preference to its own, so as to reduce the circulation; and that each bank would furnish the others with a certified statement of its condition every sixty days.<sup>18</sup>

**Statistics of Ohio Banks in 1837.**—The condition of the authorized banks of Ohio at three different periods in 1837 are shown in the following table, from which it may be seen that while the capital shows a continual increase, the circulation shows a continual decrease from January to December.

CONDITION OF AUTHORIZED BANKS IN OHIO ON THREE DIFFERENT DATES IN 1837.

	January. <sup>19</sup>	May. <sup>20</sup>	December. <sup>20</sup>
Capital stock paid in.....	\$9,247,296 98	\$10,870,089 25	\$11,331,618 96
Circulation .....	8,326,974 80	7,697,261 30	6,221,136 90
Deposits .....	3,464,450 21	6,857,282 57	5,232,529 54
Due to banks.....	1,471,659 60	1,142,965 76	481,344 38
Due Treasurer of U. S....	4,126,483 30	1,279,894 75	348,905 67
Surplus fund .....	.....	143,913 12	114,878 12
Contingent fund .....	306,837 99	110,183 02	129,412 52
Expenses .....	.....	28,596 56	19,566 74
Profits .....	554,884 27	883,835 39	596,538 77
Discounts .....	18,178,699 97	19,505,662 84	17,212,694 23
Loans to directors and stockholders .....	.....	2,388,830 52	1,466,174 56

<sup>18</sup> Ibid.

<sup>19</sup> Ohio Exec. Doc., 1837-8, No. 1. Gov. Vance's Message of Dec. 5, 1837. See also Chapter VI, p. 383.

<sup>20</sup> Dayton Journal, June 13, 1837.

<sup>21</sup> Ohio Exec. Doc. 1836, No. 42.—State Auditor's Report of Jan. 20, 1837.

<sup>22</sup> Ohio Exec. Doc. 1837, No. 30.—State Auditor's Report of Jan. 27, 1838.



Due from banks.....	4,597,597 46	2,763,011 43	1,340,338 12
Specie on hand.....	3,153,334 94	2,311,614 44	2,674,212 69
Notes of other banks on hand .....	1,710,827 48	1,151,485 93	864,597 08
Real estate and other in- vestments .....	271,558 96	398,074 04	387,427 26

From the above table it may be seen that the deposits show a big increase from January to May, the time of suspension, and then a decrease, not so large, however, from May until December; and also, that while the specie on hand was less in May than in January, it had regained some of this loss by December.

**Repeal of Law prohibiting Small Notes.**—Governor Vance in his message of December 5, 1837 called attention to the decrease of circulation and increase of specie made by the banks during the preceding six months, remarking: "Our commercial and agricultural wants require a circulation capable of expansion today and contraction tomorrow."<sup>21</sup> As a member of the Whig party, again in power in Ohio, he favored the repeal of the small note law, which, passed by the Democrats in 1836, had considerably restricted the note issues of the banks. Accordingly the legislature, on March 13, 1838,<sup>22</sup> passed an act repealing the law of March 14, 1836, which had prohibited notes less than \$5.<sup>23</sup>

<sup>21</sup> Ohio Exec. Doc. 1838-9, No. 1.

Ohio Statesman, Dec. 5, 1837.

It may be noted here that his critics claimed that he overlooked the fact that part of the specie represented special deposits of the government over which they had no control; and that much of the reduction of circulation was due to an exchange of each other's notes between the banks as soon as they had suspended.—Ohio Statesman, Dec. 8, 1837.

The Ohio Statesman of Feb. 16, 1838 gives statistics of certain banks on May 11, 1837, which shows them to have had the following ratios of circulation to specie:

Massillon Bank .....	\$13	in paper to \$1 in silver.
Canton Bank .....	23½	in paper to 1 in silver.
Sandusky Bank .....	9	in paper to 1 in silver.
Urbana Bank .....	11½	in paper to 1 in silver.
Miami Exporting Co. (Cin.)...	4	in paper to 1 in silver.
Miami Export. Co. (Conneaut)	13	in paper to 1 in silver.

<sup>22</sup> Laws of Ohio, Vol. XXXVI, (1838), p. 55.

<sup>23</sup> See Chapter VI, p. 382.



**Partisan Nature of the Vote.** — The partisan nature of the contest over the repeal of the small note law is shown by the vote on the act of March 13, 1838. In the Senate the 18 yeas were all Whigs, and the 16 nays were all Democrats but one; in the House the measure was passed by a unanimous Whig vote, every Democrat voting against it.<sup>24</sup> Some light may be thrown upon the reason for this vote by the fact that of 405 bank officials in the state in 1837, 341 were said to be Federals, (Whigs), while only 64 were Democrats.<sup>25</sup>

**Resumption of Specie Payment.** — The law of Mar. 13, 1838 provided that those banks which had surrendered the right to issue bills less than \$5 might again issue such if they would redeem in specie. They were required to resume specie payment by July 4, 1838 provided the banks of New York, Philadelphia, and Baltimore should have resumed by that time.<sup>26</sup> But the latter banks did not resume by that date. They held a convention in Philadelphia July 23, however, at which they agreed to resume specie payment August 13, 1838.<sup>27</sup> The Ohio banks had announced from the first that they stood ready to resume specie payment as soon as resumption had taken place generally in the eastern cities.<sup>28</sup> Accordingly at a convention held in Columbus, soon after the Philadelphia bank convention, the Ohio banks decided that they also would resume specie payment on the 13th of August.<sup>29</sup> The banks represented in the Philadelphia convention did resume on that date; others followed their example, and Niles' Register of August 18, 1838, says: "It is certain that every solvent bank in the country will pay specie on demand on or before the first day of January next."<sup>30</sup>

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<sup>24</sup> Ohio Statesman, June 27, 1838.

<sup>25</sup> The number of Federals and Democrats among the Presidents, Cashiers, Tellers, Directors, and Agents of each bank is given in the Ohio Statesman of August 9, 16, and 23, 1837.

<sup>26</sup> Laws of Ohio, Vol. XXXVI, p. 55.

History of Banking in the United States — Knox, p. 672.

<sup>27</sup> Niles, 54:369, Aug. 11, 1838.

<sup>28</sup> Ohio Exec. Doc. 1837-8, No. 30.

<sup>29</sup> Columbus Journal, Aug. 3, 1838.

<sup>30</sup> Niles, 54:385.

**Statistics of Ohio Banks in 1838.**—The following table will show the condition of the Ohio banks on June 1, 1838, a short time before their resumption of specie payment.<sup>31</sup>

Notes and bills discounted.....	\$14,968,675	
Deposits in eastern cities.....	2,078,899	
Due from banks.....	729,077	
Bank notes .....	1,145,281	
Specie .....	2,879,209	
Real and personal estate.....	361,160	
Other investments .....	2,790	
	<hr/>	\$22,165,091
Capital stock paid in.....	\$9,835,199	
Circulation .....	6,340,947	
Deposits .....	2,848,464	
Due to banks.....	624,501	
Surplus .....	1,152,619	
Due U. S. Bank.....	744,643	
Due U. S. Bank on time.....	618,718	
	<hr/>	\$22,165,091

**Suspension again in 1839.**—The effects of the great revulsion of 1837 were gradually subsiding, when the suspension in Pennsylvania in October 1839, was followed by nearly all the banks of the Southern and Western States.<sup>32</sup> The Second Annual Report of the Bank Commissioners of Ohio, December 20, 1840 says: "With the exception of Ohio, the banks west and south of New York have been in a state of suspension for the last fourteen months. This fatal policy commencing in the city of Philadelphia, where there is a vast amount of banking capital, created a general panic in the West."<sup>33</sup> Even Ohio banks did not entirely escape, but upon the suspension of the Philadelphia banks in October 1839, several Ohio banks suspended specie payment for a period of not over thirty days.<sup>34</sup> "The panic thus created would undoubtedly have been followed by a general suspension of all our banks, as in 1837," says the First Report of the Ohio Bank Commissioners, "had it not been prevented by

<sup>31</sup> Dayton Journal, June 12, 1838.

<sup>32</sup> Ohio Exec. Doc. 1840, No. 21, p. 5.

<sup>33</sup> Page 6.

<sup>34</sup> Ohio Exec. Doc. 1839, No. 22, p. 12.

the salutary operation of the law of the last session of the General Assembly."<sup>35</sup>

**The Bank Commissioner Law.** — The law here referred to was that passed on February 25, 1839,<sup>36</sup> which provided that the amount of bills a bank might circulate at one time should not exceed three times the amount of specie, exclusive of deposits, in its vaults and actually belonging to the bank. In case of excess the directors were liable individually, and after them the stockholders (in proportion to the amount of their stock), for the amount of the excess. It also provided that the banks must pay their notes in gold, silver, or current notes of other banks. If they failed to do so for thirty days in one year they were to be closed up. The Act provided for three Bank Commissioners to be appointed by the Legislature, whose duty it was to visit the banks, examine their books, and make regular reports. They were given ample power to carry out the law.

**First Annual Report of Bank Commissioners.** — The first annual report of these commissioners was made December 16, 1839.<sup>37</sup> In this report they say that one cause that increased the *drain of specie* from Ohio banks and drove them to rapid curtailment of their circulation was the hostile attitude they had assumed toward each other, which course operated to strengthen the *distrust* of them as it left the impression on the public mind that they placed no confidence in each other.<sup>38</sup> They condemn the policy pursued by the banks of issuing *post-notes*, payable at a future day, often six or twelve months, and not bearing interest, though paid out at par for the bank's own debts to depositors and needy borrowers.<sup>39</sup> They also call attention to the evil of *foreign bank notes*,<sup>40</sup> and condemn the practice of creating bank capital by the stockholders giving what was called a *stock note*; also, closely allied to the latter, the *large loans and discounts made to directors and other stockholders* "almost unlimited in amount and time of payment."<sup>41</sup>

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<sup>35</sup> Ibid.

<sup>36</sup> Rev. Stat. 1841, p. 126.

<sup>37</sup> Ohio Exec. Doc. 1839, No. 22.

<sup>38</sup> Ibid., p. 9.

<sup>39</sup> Ibid., p. 13.

<sup>40</sup> Ibid., p. 15.

<sup>41</sup> Ibid., p. 20.

The following table taken from the report of the bank commissioners in 1842 shows the extent of this loaning to stockholders:

INDEBTEDNESS OF THE DIRECTORS AND OFFICERS OF EACH BANK,  
AT THE TIME OF EXAMINATION, AS PRINCIPALS, AND  
LIABILITY AS SECURITY, AND THE AMOUNT OF  
STOCK HELD BY THEM.<sup>42</sup>

Names of Banks.	Indebtedness as principals.	Liabilities as security.	Amount of stock owned by directors and officers.
Commercial Bank of Cincinnati.....	\$89,183	\$45,821	\$46,900
Franklin Bank of Cincinnati.....	43,012	49,062	25,800
Lafayette Bank of Cincinnati.....	79,986	22,003	18,600
Ohio Life Insurance & Trust Co.....	61,185	5,194	.....
Dayton Bank .....	5,198	13,326	30,550
Bank of Xenia.....	25,632	48,736	42,283
Bank of Circleville.....	40,778	49,233	38,200
Bank of Muskingum.....	30,112	6,693	82,400
Bank of Zanesville.....	5,161	3,635	59,206
Bank of Marietta.....	43,688	36,142	52,800
Bank of Mt. Pleasant.....	.....	2,030	9,563
Bank of Wooster.....	109,350	161,804	182,054
Bank of Massillon.....	39,530	50,886	22,400
Bank of Geauga.....	14,766	13,387	20,195
Bank of Norwalk.....	11,070	11,782	22,175
Bank of Sandusky.....	44,590	66,999	24,350
Clinton Bank of Columbus.....	87,126	125,724	120,200
Franklin Bank of Columbus.....	9,420	40,488	164,600
Columbiana Bank of New Lisbon.....	10,413	23,897	31,525
Belmont Bank of St. Clairsville.....	.....	4,172	14,337
Commercial Bank of Scioto.....	16,839	20,245	23,819
Farmers' and Mechanics' Bank of Steubenville .....	30,827	34,483	17,350
Western Reserve Bank.....	17,566	29,253	73,792
	\$815,432	\$860,995	\$1,123,199

<sup>42</sup> Annual Report of the Ohio Bank Commissioners, Dec. 17, 1842, p. 40. In addition to the list given here, two of the directors, as members of a firm, owe, as principals, \$9,500. In the item of liability as indorsers, in the greater amount of cases, two persons are liable for the same indorsement, which, in the aggregate, counts the sum twice.

<sup>42</sup> Of these liabilities as securities, \$30,266.66 of the amount appears duplicated, by there being two or more names of directors upon the same obligation.

"Too large loans to a few individuals," said the commissioners, "often renders precarious the solvency of the banks, and this is particularly the case where the directors and officers monopolize in a great measure their available resources—and the *spirit of speculation*, fostered and encouraged by heavy accommodations from them has done more within the last few years to place the whole business of the country in the hands of a few, and to overthrow all the sound principles of trade, convulse the community, and prostrate the laboring classes than all other causes combined."<sup>45</sup> They found it a "general source of complaint" that a "very limited number of persons are permitted to obtain a great proportion of the discounts from our banks."<sup>46</sup> They thought that as many banks were created in the state by persons who wished to borrow instead of lend money, thus bringing about large issues of notes without any liability for their redemption, the law of February 25, 1839 should be amended. They believed that no bank of issue was safe unless there existed a direct and unqualified liability to the public creditor on the part of every stockholder and a special liability of the directors and officers to the stockholders not concerned in its management.<sup>47</sup> "The great cardinal principle of individual liability," they said, "is the only true foundation of safety."

This report shows how far from perfect was the banking system in the state at that time and also foreshadows later action of the legislature regarding reforms. The passage of the law requiring examinations and supervisory control of the banks elicited some degree of hostility and in particular instances, manifestations of determined opposition to the performance of its requirements. The refusal, however, of the Supreme Court to grant an injunction against an examination of the Lafayette Bank of Cincinnati by the Bank Commissioners, probably conduced to a general acquiescence in the constitutional requirements of the law.<sup>48</sup>

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<sup>45</sup> Ohio Exec. Doc. 1839, No. 22, p. 21.

<sup>46</sup> Ohio Exec. Doc. 1839, No. 22, p. 22.

<sup>47</sup> Ibid., p. 24.

<sup>48</sup> Ohio Exec. Doc. 1839, No. 22, p. 5.



**Re-Enactment of Law forbidding Small Notes.**— The law, however, was insufficient to remove all the evils existing in the banking system in Ohio. It was amended at various times, notably the act of March 23, 1840 forbidding passing of notes less than \$5 or of post notes, or of notes not payable in specie,<sup>49</sup> and requiring banks to make out statements once a month or oftener including such information as the commissioners should require.<sup>50</sup> But it was becoming evident to all concerned that some more radical reform was required.

**Messages of Governor Shannon.**— The Governor's Message of December 1839, after considering the project of a State Bank and that of Free Banking came to the conclusion that a system of Independent Banks, properly restricted, under the supervision of Commissioners, and at all times under the control of the legislature, if not the best system theoretically, would yet be the best then within reach.<sup>51</sup> Again in his Message of December 8, 1840, Governor Shannon remarked: "The evils which have been inflicted on the community through the instrumentality of banks of circulation have become so great and alarming that the question will soon be between reformation and destruction."<sup>52</sup> "If the effort to reform our banks should prove unsuccessful *the remedy will be found in the substitution of banks of discounts and deposits for those of circulation.*"<sup>53</sup> He argued that the limited liability of the stockholders not only furnished an opportunity to commit fraud with impunity, but held out an inducement to excessive banking,<sup>54</sup> and added: "Bankers should be placed on the same footing with other individuals; made responsible for their debts like other citizens; and, being so responsible, they would conduct their business with more prudence and regularity, and consequently with more safety to the public."<sup>55</sup> But he opposed a State Bank and in his Inaugural

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<sup>49</sup> Laws of Ohio Vol. XXXVIII, p. 113.

See also Niles, 58:115, Apr. 25, 1840.

<sup>50</sup> Rev. Stat. of 1841, p. 132.

<sup>51</sup> Niles, 57:279, Dec. 28, 1839.

<sup>52</sup> Ohio Exec. Doc. 1840, No. 1, p. 8.

<sup>53</sup> Ibid., p. 9.

<sup>54</sup> Ibid., p. 20.

<sup>55</sup> Ibid., p. 21.

Address of December 14, 1842 declared against a State Bank in any form, favoring a system of local banks with increased personal liability and more safeguards.

**Message of Governor Corwin.** — Gov. Thos. Corwin in his inaugural address<sup>56</sup> December 16, 1840 declared it the duty of the Legislature at once to establish some permanent system of banking. He analyzed the objections to banks as instruments for currency as follows:

1. The use of their credit to extend their circulation leading to suspension and depreciation.

2. Expanding and contracting their circulation causing fluctuation in the prices of labor and property.

Explaining these away, on the whole, he suggested two plans that had been proposed:

1. A State Bank with branches (State to own not over 1/5 of the stock).

2. Re-charter of the safest of the then existing banks.

As safeguards he suggested: limited dividends to stockholders, the state to get the rest; and limited circulation as compared to capital.

**Question whether to adopt State Bank or Safety Fund System.** — The Ohio State Journal in Jan. 1841 said: "The absorbing question here among those desirous to place the moneyed institutions of the State in a safe and useful condition is whether a State Bank similar to Indiana's or whether the present banks (or those of them entitled to public confidence) shall be united in a kind of New York safety fund system with such modifications, however, as shall secure a larger amount of specie in the vaults of the banks in proportion to the amount of paper circulation than is exhibited in the report of the New York banks. The probability is that the committee to whom this subject is referred will report a bill on the latter plan; chiefly because the finances of the State are thought to be unfavorable to the former. The great difficulty appears to be in determining a rule by which the real available means of the present banks may be ascertained, in order to fix the amount of circulation to which

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<sup>56</sup> Ohio Exec. Doc. 1840, p. 8.

each may be entitled, when presenting claims to the board of control for admission into the family of solvent banks."<sup>57</sup>

**Currency Fluctuations in Ohio.**—That such difficulty may well have existed can be seen from the following table showing the amount of currency circulating in Ohio in 1839 and 40:<sup>58</sup>

	<i>Currency.</i>		<i>Premium on Specie.</i>
June 1, 1839.....	\$9,168,903		
Sept. 30, 1839.....	8,107,692 decrease=	\$1,059,300	
Jan. 1, 1840.....	6,624,987 decrease=	1,482,515	6½ and 7
April 1, 1840.....	5,956,398 decrease=	688,597	7½ and 8
May 1, 1840.....	6,391,205 increase=	431,808	6 and 6½
July 1, 1840.....	6,362,770 decrease=	28,436	4 and 4½
October 1, 1840.....	6,686,756 increase=	318,986	3½ and 4

Yet, notwithstanding the steady reduction in currency and bank accommodations evinced in this table, the amount of business done in the State was large, and during the last few months, of 1840, constantly increasing.<sup>59</sup>

**Exports from Ohio in 1840.**—The following table of Ohio statistics for products exported from the State in 1840 will indicate something of the volume of business done in the State during that year alone:

Bread stuffs, mostly wheat and flour; estimated value.....	\$7,098,810
Other agricultural products, including distilled spirits.....	1,874,402
Products of domestic animals, chiefly pork, lard, butter, cheese, and wool.....	2,315,069
Domestic animals driven from the state on foot.....	2,600,000
Products of mines and forests.....	782,700
Manufactured articles .....	5,000,000

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Total value of products of Ohio exported in 1840<sup>60</sup>.....\$19,670,981

**Effect of Internal Improvements.**—Moreover for fifteen years Ohio had been engaged in Internal Improvements with an

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<sup>57</sup> Niles, 59:342, Jan. 30, 1841.

The bill referred to was reported soon after, (p. 342).

<sup>58</sup> Niles, 59:219, Dec. 5, 1840.

<sup>59</sup> Ibid.

<sup>60</sup> Annual Report Commissioners of Canal Fund, Jan. 21, 1842, p. 18.

average expenditure of nearly \$1,000,000 a year, the effects of which are thus described in the Annual Report of the Commissioners of the Canal Fund:<sup>61</sup> "They have opened new channels of intercommunication between different portions of our State, developing the value and bringing into use the treasures of extensive coal formations—furnishing new avenues of foreign trade, with every facility for the various transactions of business, in almost every quarter of the State. By these means of communication, our citizens have been enabled to throw their produce into the northern, eastern, and southern markets, at an expense so greatly diminished as to increase its value at home twenty-five to fifty per cent."<sup>62</sup>

**Canal Receipts and Shipments at Cleveland.**—The rapid and usually successive increase of production in the state may be inferred from the following receipts at Cleveland via the Ohio Canal:<sup>63</sup>

1838.....	287,465 bbl. flour; 1,229,012 bu. wheat; 73,292 bu. coal
1839.....	264,887 bbl. flour; 1,515,820 bu. wheat; 134,881 bu. coal
1840.....	505,461 bbl. flour; 2,155,820 bu. wheat; 172,206 bu. coal

The increase of imports also is indicated by the following *shipments* from Cleveland via the Canal:<sup>64</sup>

1837.....	62,977 bbl. salt and 10,757,386 lbs. merchandise
1838.....	63,465 bbl. salt and 18,875,286 lbs. merchandise
1839.....	109,916 bbl. salt and 19,125,852 lbs. merchandise
1840.....	77,254 bbl. salt and 10,783,514 lbs. merchandise
1841.....	59,773 bbl. salt and 15,164,747 lbs. merchandise

**Low Prices and Hard Times.**—The falling off in these imports in 1840-41 is probably due partly to increased home production,<sup>65</sup> but largely to the depressed prices of home prod-

<sup>61</sup> Report of Dec. 30, 1843, p. 13.

<sup>62</sup> In 1842 Ohio produced 1,237,712 tons of hay; 5,264,766 lbs. of tobacco; 7,277,309 bu. of potatoes; 19,381,035 bu. of oats; 25,387,439 bu. of wheat; 39,424,221 bu. of corn.—Report of Canal Fund Commissioners, Dec. 30, 1843, p. 11.

<sup>63</sup> Sixth Report Board of Public Works, Jan. 2, 1843, p. 41.

<sup>64</sup> *Ibid.*, p. 42.

<sup>65</sup> Ohio produced in 1840—297,350 bu. salt, value \$89,205; 1850—550,350 bu. salt, value \$132,293; 1860—2,000,000 bu. salt, value \$500,000.—Report of Commissioner of Statistics 1859.

ucts. For example, the price of wheat at Cincinnati, which had risen from 62c a bushel in 1834 to \$1.25 in 1836, dropped to 65c in 1839 and 60c in 1840; flour dropped from \$8.25 a barrel in 1836 to \$3.60 in 1840; and hogs from \$7 a cwt. in 1836 to \$4.75 in 1840, \$2.25 in 1841, and \$1.75 in 1841.<sup>66</sup>

The Second Annual Report of the Bank Commissioners of Ohio, December 20, 1840, says: "The past two seasons have been distinguished by unusual agricultural productiveness in our own State, which, under circumstances of less production in other agricultural states of the Union, would have tended to a rapid discharge of the obligations of our citizens to the eastern cities. In consequence of an equal production in other states, as well as abundant crops in other parts of the world, the prices of the staple articles of subsistence have declined."<sup>67</sup>

So it cannot be shown that the low prices and hard times of 1841 and 1842 are entirely due to banking, but the fact that in the face of the larger production and increased business in the state the specie in the banks was reduced from \$3,153,334 in 1837 to \$1,052,767 in 1841 and their circulation from \$9,247,296 to \$3,584,341<sup>68</sup> during the same time, has much significance if there is anything in the quantity theory of money at all. And the following quotation from Niles' Weekly Register of December 31, 1842 seems to justify the inference:<sup>69</sup> "*Hard Times in Ohio.* The circulation of the sound banks is reduced to a very trifling amount, and as the currency is almost exclusively of hard money, the value of property of every description is correspondingly depressed. The distress which is thus brought upon debtors may be understood from the facts."<sup>70</sup>

**Agitation for New Banking System in Ohio.** — There was evident need of a remedy soon. The charters of nearly all the banks in Ohio would expire in 1843, and the interests and business of the people demanded that the capital of those banks should be retained in that business in some form. "A large por-

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<sup>66</sup> Third Annual Report of Ohio Commissioner Statistics 1859, p. 96. See also Cincinnati Daily Enquirer, Feb. 23, 1846. Also Appendix, p. 519.

<sup>67</sup> Ohio Exec. Doc., 1840, No. 21, p. 5.

<sup>68</sup> Report Comptroller Currency, 1876, p. CXVI.

<sup>69</sup> Niles, 63:280.



tion of this capital," says Governor Corwin in his message of December 7, 1841, "is held by owners in other states. Should the capital of those banks be withdrawn from its accustomed uses, the portion of it owned abroad be taken home, and no means of similar investment provided, results must follow more disastrous to the State than any, even in the worst times, which it has hitherto encountered."<sup>71</sup>

In the Ohio Senate in April 1841 the Bank Committee presented a bill to re-incorporate the banks of the state on the so-called safety-fund principle; but there was also a minority report,<sup>72</sup> and a week later the legislature adjourned after postponing all the bank projects.<sup>73</sup> The Springfield Ohio Republican in October 1841 gave the aggregate banking capital of Ohio as \$16,000,000,<sup>74</sup> and added that nearly the whole amount of banking capital required for the trade of the community was about to be withdrawn by the expiration of charters January 1, 1843.<sup>75</sup> The Ohio State Journal commenting on the same thing said: "*A fearful time ahead!* It must unavoidably derange the business of Ohio to such a degree that its blighting effects will be felt for fifteen years to come."<sup>76</sup> Governor Corwin in his message of December 6, 1842<sup>77</sup> discusses the expiration of the bank charters January 1, 1843; says the withdrawal of the \$5,000,000 bank capital, much of which was owned in other states, would increase the existing embarrassments, retard the payment of debts, sink still lower the market value of property, and hurt debtors without helping the creditor class; and he recommends to the legislature a permanent system of safe currency "composed of coin, and Bank paper convertible into at the pleasure of the holder."

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<sup>71</sup> Ohio Exec. Doc., 1841-2, No. 1, p. 13.

<sup>72</sup> Niles, 60:71, Apr. 3, 1841.

<sup>73</sup> Ibid., p. 90, Apr. 10, 1841.

<sup>74</sup> The capital of the incorporated banks of Ohio in 1841 was said to be \$8,103,243.—See Appendix, p. 511.

<sup>75</sup> Niles, 61:119, Oct. 23, 1841.

<sup>76</sup> Niles, 6:119, Oct. 23, 1841.

<sup>77</sup> Ohio Exec. Doc., 1842, No. 1, pp. 7 and 8.

**Third Annual Report of Bank Commissioners.** — In their third annual report, December 17, 1842,<sup>78</sup> the bank commissioners stated that there were then in Ohio twenty-three banks which redeemed their notes in specie when demanded; that the charters of thirteen of them would expire January 1, 1843, those of two others would end January 1, 1844, four in 1850, two in 1854, and two in 1855; that if any were to be renewed the time was favorable to throw around them such restrictions and safeguards as would best guard against bankruptcy, fraud, etc.<sup>79</sup> They added: "Whatever may be the future policy of the State in regard to supplying the places of the expiring and broken banks, it would seem to be pretty clearly settled that *public opinion is adverse to the present unrestricted system of banking.*" Some of the old banks were twenty-five years old and had several times suspended, and there were large amounts of old debts, particularly among officers, directors, and stockholders, that were in need of being closed up. In view of these things the commissioners thought that "both the interests of the public and the future solvency of the banks would be better secured by the incorporation of new banks than by the renewal of the old." They said that "the great and fundamental error in the banking system may be traced to the want of individual liability of the directors and stockholders, to pay the debts they contract, and redeem the paper they put in circulation. — The same man, in his corporate capacity, might be poor, but, as an individual he might be rich; and his wealth, in a great measure, drawn from the profits or spoils of the corporation of which he was a member."<sup>81</sup> The former charters of the banks had been granted for a specific period,<sup>82</sup> and were too vague and indefinite in relation to the capital stock, the commissioners thought; there was too much uncertainty, they said; consequently they thought a radical change in the system was necessary.<sup>83</sup>

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<sup>78</sup> Ibid., No. 15.

<sup>79</sup> Ibid., p. 6.

<sup>80</sup> Ibid., p. 7.

<sup>81</sup> Ohio Exec. Doc., 1842, No. 15, p. 13.

<sup>82</sup> Ibid., p. 7.

<sup>83</sup> Ibid., pp. 8 and 10.

**Taxes paid by Ohio Banks, 1831-43.**— One of the changes the commissioners recommended was in regard to taxation. The banks, they said, had not paid their share of the taxes in proportion to the capital invested. "The rate of assessment for State, canal, and school purposes is five mills on the dollar," they said, while the banks pay less than half the tax on other property.<sup>84</sup>

The following table shows the amount of tax paid by all the Ohio banks on dividends reported from June, 1831 to November 15, 1843, as compared with the amount of banking capital.

	<sup>85</sup> <i>Tax paid on dividends.</i>	<sup>86</sup> <i>Capital.</i>	<sup>87</sup> <i>Rate in mills.</i>
1831 .....	\$3,621.857	.....	.....
1832 .....	7,066.045	.....	.....
1833 .....	12,998.429	.....	.....
1834 .....	14,737.30	.....	.....
1835 .....	25,836.405	\$5,819,692	4.44
1836 .....	71,317.74	8,369,744	8.52
1837 .....	57,698.01	9,247,296	6.25
1838 .....	50,989.74	11,331,618	4.5
1839 .....	59,143.40	10,153,846	5.82
1840 .....	30,784.71	10,507,521	2.92
1841 .....	31,640.29	8,103,243	3.7
1842 .....	14,074.46	7,034,083	2.0
1843 .....	19,234.33	6,805,352	2.82
Total .....	\$398,142.716		

This shows the rate of tax paid by the banks to have been lower in 1840 and 1841 than in the preceding years, if we base our estimates on capitalization. But if we consider that the first column represents the total tax paid by *all* the banks, while the second includes the capital of only the banks reporting, we may assume that the actual rate on capitalization paid by the banks was much lower than the table indicates. For example in the year 1841 the Springfield (O.) Republican estimated the total

<sup>84</sup> Ibid., p. 9.

<sup>85</sup> Special Report of Ohio State Auditor, Jan. 20, 1844.

<sup>86</sup> See Appendix, p. 511.

<sup>87</sup> Figured from the first two columns.

banking capital in the state at \$16,000,000,<sup>88</sup> whereas the table gives only \$8,000,000. If we figure the rate of tax paid by the banks that year on the former figure the rate appears as only 1.85 mills on the dollar.

**Difficulty in collecting Taxes from the Banks.**— But whatever the rate may have been on the actual capitalization, it is certain that under the law of March 12, 1831 the State found a good deal of difficulty in getting the banks to report their dividends. The state auditor's report of March 4, 1839 gives certain resolutions passed by the legislature, one of which is the following:<sup>89</sup> "Resolved further, that the Auditor be and he is hereby required to cause to be prosecuted all such banks, insurance, and bridge companies as have not complied with the provisions and requisitions of an Act entitled 'An Act to tax banks, insurance, and bridge companies,' passed March 12, 1831, either by totally neglecting or refusing to make a return of their dividends, or which have made incorrect returns of such dividends, after giving them due notice of the demand claimed by the State, and their refusal to pay the same."

Moreover the state bank commissioners, in their report of December 16, 1839, speaking of dividends and other profits, say: "The investigations thus far have disclosed nearly \$20,000 due from the banks, having been withheld due to misconstruction of the law or noncompliance in reporting dividends to the Auditor. This neglect or refusal to make reports according to existing laws may render necessary a change in the tax law for banks, and it is submitted whether it would not be advisable to tax the capital stock hereafter or the amount of money loaned, in the same manner as individuals are taxed."<sup>90</sup> That conditions did not improve much in this respect is evidenced by the report of the commissioners three years later in which they recommended a radical change in the whole banking system.

**Bank Failures in 1841-2.**— During the years 1841 and 1842 many Ohio banks failed. The bank commissioners attributed this largely to the fact that their capital was so invested as not

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<sup>88</sup> Niles, 61:119.

<sup>89</sup> Ohio Exec. Doc., 1838-9, No. 79.

<sup>90</sup> Ibid., 1839, No. 22, p. 8.

to be readily available in case of emergency. "In every instance," they said in their annual report of December 17, 1843, "not only the capital, but also the active means, including much of their deposits, were found to have been diverted from their legitimate uses, and to have become sunk in a suspended debt — such as judgments, mortgages, and real estate." "Injudicious loans and discounts, at that time were not confined to any one bank; but the same recklessness of accommodation, to a greater or less extent, had extended itself to all." The effects of those events, the commissioners observed, "will be lasting, as they have shaken the public confidence in the soundness and stability of our whole banking system."<sup>91</sup>

Various attempts were made by the legislature to compel resumption.<sup>92</sup> In March 1842 the Cincinnati Gazette was complaining that the resumption law of Ohio had not yet put any coin in circulation; but that Ohio bank notes had disappeared and that the currency then consisted of Indiana notes, while distress was about universal.<sup>93</sup> The reduction in the note circulation which had been going on in the state for several years, had failed to give Ohio a specie currency. The vacuum created was in part filled with the best notes of other states. The change merely substituted the paper of the banks of other states for that of her own banks.<sup>94</sup> There arose once more a "clamor for more banks, more bank facilities, a new and more enlarged banking system."<sup>95</sup> This was not a new cry by any means. At the sessions of 1835-6, 1836-7, 1838-9, and 1840-41, petitions for more banks had been crowded on the legislature in large numbers.<sup>96</sup>

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<sup>91</sup> Ohio Exec. Doc., 1843, No. 38, p. 8.

<sup>92</sup> Niles, 60:71 — 61:352 — 61:400.

February 18, 1842 an Act was passed to enforce specie resumption which provided for receivers for failed banks. — Knox, p. 673.

The latter was a fruitful subject of abuse among a large and respectable class of citizens. — Report of Bank Commissioners, Dec. 17, 1843, p. 7.

<sup>93</sup> Niles, 62:80, Apr. 2, 1842.

<sup>94</sup> Niles, 65:148, Nov. 4, 1843.

<sup>95</sup> Ohio Exec. Doc., 1844, No. 1. — Gov. Bartley's Message, p. 17.

<sup>96</sup> Ibid. Also, Old School Republican and Ohio State Gazette (Columbus), Dec. 5, 1844.



**The Bank Question in Ohio involved in Party Politics.**

— The subject of banking was more agitated in Ohio than in any other state in the Union at that time.<sup>97</sup> And certainly there was plenty of need for wise legislation. But the question “became involved, more than in any other state, with the fate and fortune of political parties. With but little regard to the requirements of the community, the conduct of existing institutions, or the true merits on which the question should have turned, — the whole was made to depend upon the success of one, and the defeat of the other political party in the State. The anti-bank party succeeded at the polls, and their representatives refused to recharter any of the existing institutions.”<sup>98</sup>

**The General Banking Law of 1842.** — On Mar. 7, 1842 a general law to regulate banking was passed. It defined the powers of banks; required all capital to be paid in gold or silver before the bank could begin business; provided for paying dividends; the proportion of circulation to capital, and the rate of interest; a special tax of  $\frac{1}{2}\%$  on capital, and such taxes on circulation as the legislature should impose; and the creation of a safety fund. Finally, the president, directors, and officers were made liable for any loss of capital and mismanagement.<sup>99</sup>

Governor Thomas W. Bartley in his message of December 3, 1844, said of this act that it was “designed to supersede the necessity of special charters, fixing general law, the powers, liabilities, and terms for future banks, and imposing rigid restrictions on the abuses heretofore practiced in banking. This law was alleged to be too severe and on February 21, 1843 it was amended,<sup>100</sup> and a number of the prominent citizens, belonging to companies which had petitioned the Legislature for a renewal of their charters, were authorized to organize and commence the business of banking. They declined, however, to engage in business on the conditions imposed, on account of the unsettled state of public sentiment on this subject, and with a view of obtaining banking privileges at a subsequent period, upon terms more in

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<sup>97</sup> Niles, 65:243, Dec. 16, 1843.

<sup>98</sup> Editorial in Niles, 67:368.

<sup>99</sup> Laws of Ohio, Vol. XL, p. 39. Also Knox, p. 673.

<sup>100</sup> Laws of Ohio, Vol. XLI, p. 36. Also Knox, p. 677.

accordance with their own views."<sup>101</sup> It is generally considered, however, that the reason why no one cared to organize a bank under the new law was the clause providing for the individual liability of stock holders. Niles says in his issue of February 8, 1845,—“No man would trust himself or his property in such a scheme, and not a cent of the stock was subscribed.”<sup>102</sup> Likewise in the issue of December 16, 1843, he says of the law of 1842 providing for new banks with individual liability of stock-holders: “This project of course failed. Badly as good banks were supposed to be wanting there were no monied men to be found so foolish as to risk their all in a scheme of that kind. The law remained a dead letter, and the State has to depend upon neighboring States for the most of its circulating medium.”<sup>103</sup>

The law of February 21, 1843 was passed by a strict party vote. The vote on the bill stood:

In the House.....	Yeas 36	Nays 31
In the Senate.....	Yeas 19	Nays 12
Total vote .....	Yeas 55	Nays 43

Three Whigs and two Van Buren Democrats were absent and two Democrats voted with the Whigs.<sup>104</sup> Of the others the Democrats voted for the law and the Whigs against it.<sup>105</sup>

**Statistics of Ohio Banks in 1842.**—Near the close of 1842 there were twenty-three specie paying banks remaining in the state. The following table shows their condition.

<sup>101</sup> Ohio Exec. Doc., 1844, No. 1, p. 12.

Examples of old banks authorized to organize but which declined to do so were the Bank of Dayton and the Bank of Chillicothe; while one of the new ones authorized, which also did not organize, was the Valley Bank of Ohio at Eaton.—Local Laws of Ohio, Vol. XLI, pp. 150, 177, 222.

<sup>102</sup> Niles, 67:368.

<sup>103</sup> Niles, 65:243.

The banks, however, gave other reasons for objecting to the general banking law, e. g., the tax on both dividends and capital, as well as various other burdens and restrictions.—See Rept. of Bank Commissioners, Dec. 17, 1843.

<sup>104</sup> Niles, 64:4, Mar. 4, 1843.

<sup>105</sup> Niles, 63:340, Jan. 28, 1843.

Name of Bank.	RESOURCES					LIABILITIES:					
	Loans and Dis- counts.	Due from Banks.	Notes of Other Banks.	Specie.	Other Re- sources.	Total.	Circulation.	Deposits.	Due to Banks.	Capital Stock.	Other Liabili- ties.
Commercial Bank of Cincinnati .....	\$929,123	\$51,259	\$55,803	\$35,378	\$586,353	\$1,659,915	\$79,783	\$180,163	\$25,965	\$1,000,000	\$374,005
Franklin Bank of Cin- cinnati .....	963,382	24,517	111,697	131,370	253,306	1,484,271	22,116	251,130	56,918	1,000,000	154,108
Lafayette Bank, Cin- cinnati .....	879,850	41,031	11,130	61,882	163,315	1,157,208	34,981	42,478	23,052	1,000,000	56,702
Ohio L. I. & T. Co. ....	532,622	54,320	17,321	77,961	533,642	1,215,866	261,575	209,318	15,597	622,255	107,122
Dayton Bank .....	48,734	293	18,159	12,856	28,170	108,202	17,644	1,277	184	88,110	998
Bank of Xenia .....	127,977	22,238	4,534	29,224	41,561	225,584	62,109	37,772	3,402	100,000	22,251
Bank of Circleville....	318,964	37,018	24,674	40,109	34,283	455,048	182,282	32,833	10,187	200,000	29,746
Bank of Muskingum....	111,496	500	2,442	2,808	59,341	176,596	7,939	14,720	.....	120,000	33,937
Bank of Zanesville....	120,164	4,696	5,284	4,781	138,156	293,082	11,427	8,062	162	220,470	42,932
Bank of Marietta.....	186,178	6,666	3,958	16,125	39,016	250,933	48,544	8,674	1,822	180,868	11,026
Bank of Mt. Pleasant..	53,575	1,067	5,756	7,263	4,613	72,275	8,323	15,051	.....	40,495	7,806
Bank of Wooster.....	399,235	12,877	11,474	58,022	94,515	576,122	267,947	28,267	26,363	229,320	24,217
Bank of Massillon....	258,684	6,703	27,813	32,494	100,399	426,083	171,450	39,876	5,840	200,000	8,927
Bank of Geauga.....	139,125	2,412	5,667	9,881	34,799	191,883	17,035	18,836	67	155,028	917
Bank of Norwalk.....	187,604	5,949	17,883	45,682	22,838	290,001	24,376	48,903	1,015	175,417	40,290
Bank of Sandusky.....	196,929	17,406	21,832	44,218	48,106	328,491	166,359	30,316	6,734	100,000	25,082
Clinton Bank of Co- lumbus .....	453,640	18,999	19,328	81,858	91,477	695,301	262,543	33,233	12,643	300,000	56,883
Franklin Bank of Co- lumbus .....	142,920	3,801	14,087	55,659	427,502	643,479	86,372	56,074	6,522	412,280	82,231
Columbiana Bank .....	114,860	226	2,404	16,757	523	134,771	18,834	18,455	4,193	90,000	3,229
Commercial Bank of Scioto .....	341,293	23,080	21,569	21,952	21,396	429,289	114,098	20,445	3,362	275,196	15,287
Belmont Bank .....	84,969	8,821	8,421	12,210	9,220	120,581	9,379	11,591	357	91,324	7,930
F. & M. Bank, Steu- benville .....	177,015	24,542	21,124	63,812	16,207	312,710	15,490	57,758	659	224,650	14,154
Western Reserve Bank.	170,701	.....	7,542	32,258	40,637	251,138	29,089	14,721	624	198,663	17,042
Total .....	\$6,937,968	\$374,921	\$439,921	\$894,561	\$2,321,419	\$31,408,796	\$1,912,254	\$1,179,977	\$205,667	\$7,034,083	\$1,136,813

<sup>106</sup> Annual Report of the Bank Commissioners of Ohio, Dec. 17, 1842, p. 37.

**Expiration of Charters of Majority of Ohio Banks in 1843.**

On January 1, 1843, the charters of thirteen of the Ohio banks expired,<sup>107</sup> and two more expired January 1, 1844, leaving only eight in the state. This closed the period of banking in Ohio with note issue based on general assets, and consequently one period of Ohio's banking history. During the period ending at this time the banks were organized by special acts of the legislature, which granted charters for specific periods of time. The system had proved unsatisfactory, not, however, because the note-issues were based upon general assets, but because of the practical defects of a lack of uniformity, a lack of any adequate provision for redemption, and the undue expansion of credit upon slender resources. These were errors commonly found in new countries. They were in large part due to the frontier conditions then prevailing in Ohio and most of the rest of the country. The economic development of the country was in an experimental stage, and the rules of sound banking had not yet been worked out even in the older countries of Europe, much less on the frontiers of the Ohio and the Great Lakes. A new country, as Ohio was at that time, poor in specie and in loanable capital, could scarcely be expected to avoid adopting monetary devices which under better conditions would not be tolerated. During most of the period distrust had been general, leading to inconvenience in business transactions. There being no security for note issue except general assets, when a bank failed its notes were usually worthless. The failures however, were not always due to mismanagement. Often borrowers could not pay, and many times the banks were not able to realize on their property. Many of the banks had been organized for purely speculative purposes, and over-issue was frequent though by no means uni-

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<sup>107</sup> Referring to the thirteen banks whose charters expired January 1, 1843, the Cincinnati Gazette, remarked that they call up "the pleasing associations of honesty, sound currency, and general popularity"; that they redeemed all their notes ever issued; that all but one, the Commercial Bank of Scioto, promptly met their engagements, and most of them returned 100 cents on the dollar on their capital stock, and some much more. At least one of them, the Farmers' and Mechanics' Bank of Steubenville, did not suspend specie payment in 1838 and 1839. — Bankers' Mag., 4:296, October, 1849.

versal. The people of the state knew that something was wrong with their banking system, and note issue being the most prominent function of banks at that time, they concluded that the remedy lay in adopting a new system wherein the note issue should not depend on general assets alone, but should be secured by a safety fund or a deposit of bonds. This, however, brings us to the second period of Ohio's banking history, which will be treated of in the next part of this monograph.





**PART II. BANKING IN OHIO UNDER  
GENERAL LAWS. 1843-1863.**

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**NOTE ISSUE SECURED BY SAFETY FUND  
OR BOND DEPOSIT.**

**(411)**



## CHAPTER VIII.

### CONDITIONS PRIOR TO 1845.

**Specie-paying Banks in Ohio in 1843 and 1844.** — Of the twenty-three paying banks in Ohio with a total capital of \$7,034,083 in December 1842, the charters of thirteen expired January 1, 1843, leaving but ten authorized banks in the state. The capital of these ten banks in December 1843 was \$3,459,773, of which \$1,673,872 was owned by residents of the state and \$1,785,901 by non-residents. The charters of two more banks, the Bank of Geauga and the Commercial Bank of Cincinnati, expired January 1, 1844, further reducing the banking capital of the state by \$1,155,028.<sup>1</sup> Thus in January 1844, there were left in Ohio but eight authorized banks with a capital of \$2,304,745. The names of these banks and the dates their charters were to expire are shown in the following:

#### AUTHORIZED BANKS IN OHIO IN 1844.

<i>Name.<sup>2</sup></i>	<i>Termination of Charter.</i>
Bank of Xenia.....	May 1, 1850
Bank of Sandusky.....	May 1, 1850
Bank of Wooster.....	June 1, 1850
Bank of Norwalk.....	June 1, 1850
Lafayette Bank of Cincinnati.....	Jan. 1, 1854
Clinton Bank of Columbus.....	Jan. 1, 1854
Bank of Circleville.....	Mar. 1, 1855
Bank of Massillon.....	June 1, 1855

During 1843 and 1844 these banks were in good condition. They were prompt in meeting their engagements, and there was

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<sup>1</sup>Ohio Exec. Doc., 1843, No. 38.

<sup>2</sup>Charters of first five contained provisions making them subject to amendments by general restrictions. Charters of remainder contained no provisions making them subject to legislation by amendment except as to taxation or prohibition of issue of bills under \$5. — Special Report Bank Commissioners, Dec. 24, 1842.

but little speculation in real estate and new enterprises. Most of the bank loans were on bills payable in eastern cities and founded on some actual transaction. Scarcely a bill was returned dishonored. In some instances accommodation paper was discounted and renewals made where the parties were unquestionably good, but probably nine-tenths of the loans and transactions were confined to business paper and the purchase of bills on the actual shipment of produce, or the driving of stock to a northern or eastern market.<sup>3</sup>

**Economic conditions in the State.**—At this time Ohio was the first agricultural State in the Union. The completion of the Erie and the Ohio canals had given interior and northern Ohio access to markets and made possible diversification of agriculture and industry. In 1842 the state produced 1.2 million tons of hay, 5.3 million pounds of tobacco, 7.3 million bushels of potatoes, 19.4 million bushels of oats, and 39.4 million bushels of corn, besides various other large crops. One great source of wealth in the state was the production of wheat. Of the 102.3 million bushels of wheat produced in the United States that year, Ohio produced about 25%, or 25.4 million bushels. Her nearest rivals New York and Pennsylvania together produced only 22 million bushels, while the next two, Indiana and Virginia, together yielded only 16 million bushels.<sup>4</sup>

The raising of live stock was also an industry of great importance in Ohio during this period. Before the opening of the canals the remoteness from markets had made the price of grain so low that the most profitable use to be made of it was to feed it to cattle, horses, and hogs, which could then be driven on foot to distant markets. This industry was still an extensive one. One of its centers was Ross County in the Scioto Valley, where the stock business of the West had its origin.<sup>5</sup> Chillicothe was the county seat of Ross County. Madison County also was es-

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<sup>3</sup> Annual Reports of Bank Commissioners, Dec. 17, 1843 and Dec. 16, 1844.

<sup>4</sup> Ohio Exec. Doc., 1843, No. 25, pp. 10 and 11.

<sup>5</sup> Howe's Historical Collections of Ohio, Vol. II, p. 511.



pecially a grazing county, where for years prior to 1856 large herds of cattle were raised and shipped to eastern markets.<sup>6</sup>

Cleveland's position on Lake Erie at the end of the Ohio Canal and at the meeting of important stage lines between the east and the west and the south had already made it the mart of the greatest grain growing state in the Union. Its business by canal and lake was already large and constantly increasing. In 1840 more than 2,000,000 bushels of wheat had arrived at Cleveland via the canal, and the year before over 19,000,000 pounds of merchandise had been shipped from that point via the canal.<sup>7</sup> The number of arrivals by lake in 1845 was 2,136, of which 927 were steamers. The tonnage then owned at this port amounted to 13,493, and the total annual value of its imports and exports by the lake was over \$9,000,000.<sup>8</sup>

The great metropolis of the state, however, was then Cincinnati. It had long been the center of the pork packing industry of the United States and had become known as Porkopolis, a name it retained until after the Civil War when Chicago became the great packing center. Cincinnati was also a center of steam-boat building and received extensive imports of goods from the east and exported the surplus crops of the two Miami Valleys in Ohio and the Licking Valley in Kentucky. It was already an extensive manufacturing place and thousands of dollars worth of its manufactured goods were annually sent into the upper and lower Mississippi country.<sup>9</sup>

**Exports and exchange operations.** — At this time Ohio was the third state in the Union in population, having in 1840 over a million and a half of inhabitants. Although during the preceding decade Ohio's population had increased 62%, or nearly twice as fast as the country as a whole,<sup>10</sup> yet her agriculture and other industries had developed still more rapidly, so that the

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<sup>6</sup> Ibid., p. 165.

<sup>7</sup> Ohio Canals, p. 175.

<sup>8</sup> Howe, Vol. I, pp. 498 and 504.

<sup>9</sup> Howe, Vol. I, p. 758.

<sup>10</sup> See page 353.

state had a large surplus to export. Her exports alone now amounted to over \$20,000,000 a year.<sup>11</sup>

To take care of this large export business the eight authorized banks remaining in the state had near the close of 1844 a capital stock of \$2,321,192 and a circulation of \$2,260,403, coin equivalent.<sup>12</sup> The export transactions, however, were effected chiefly by bills of exchange, thus requiring a comparatively small amount of capital. The bills of exchange were sold to the banks for bank notes and the proceeds of the bills after payment constituted a fund to be applied to the redemption of the circulation, or an eastern fund to be drawn on to meet the interest of the state debt, or to supply the wants of merchants. The amount of this kind of paper negotiated through the state each year was very large. One northern bank in 1843 negotiated bills of exchange amounting to \$1,200,000 and a central bank \$1,000,000. Additional large amounts were negotiated by other banks and by individuals. In the city of Cleveland alone the amount was \$6,000,000.<sup>13</sup>

**Foreign and Unauthorized Bank Circulation.** — That the circulation of the authorized banks was not sufficient to handle all this business is indicated by the large amount of foreign bank paper circulating in Ohio. In December 1844 this was reported by the bank commissioners at \$7,473,483, much of which was made up of issues of doubtful credit and suspicious origin.<sup>14</sup> In one part of the state a company organized as a bank was engaged in the purchase of depreciated paper with the means of insolvent bank, and then forcing this paper back into the hands of laboring men for the purpose of another specula-

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<sup>11</sup> Ohio Exec. Doc., 1843, No. 38.

<sup>12</sup> Annual Report Bank Commissioners, Dec. 16, 1844.

<sup>13</sup> Annual Report Bank Commissioners, Dec. 17, 1843.

In Cincinnati the pork packing industry each winter threw into the market a large amount of these bills. After the season closed exchange on New York was likely to advance, for instance in February, 1844, it was 1% premium while a short time before it had been at a discount.—Cincinnati Morning Herald, Feb. 1, 1844.

<sup>14</sup> Ohio Exec. Doc., 1844, No. 55.

tion.<sup>15</sup> There also existed a class of institutions incorporated as insurance companies, saving institutes, etc., which assumed banking powers, not only of loan and deposit, but also of note issue. These experimented with various kinds of depreciated paper. The paper of one institution after another would be adopted, circulated, and repudiated. They would buy a controlling stock in some doubtful or insolvent bank in a distant or adjoining state and force its paper into circulation. This vitiated paper would be quoted at par by some hired press, and its credit and circulation be kept up as long as found profitable.<sup>16</sup>

**Inadequate Banking Facilities and Low Prices.**—The statistics of the authorized banks in Ohio in 1843 and 1844 show the lowest figures for more than a decade. Loans and discounts, which were over 13 million dollars in 1840, were less than 3 million in 1844; specie declined from 1750 thousand in 1840 to less than 750 thousand in 1844; capital, which was 10½ millions in 1840, was only 2 1/6 million in 1844; circulation, which was 4.6 million in 1840 and over 8 million in 1839, dropped below 2 million in 1843 and was only 2.2 million in 1844; while the deposits, which were still over 2 million in 1840, went down to half a million at the beginning of 1844 and were only 436 thousand at the end of that year.<sup>17</sup>

This decline appears greater yet if we compare the figures in 1843 and 1844 with those of 1836 and 1837, and it may be said that never since 1844 have the figures been so low. The prices of Ohio products were also very low in 1843 and 1844, though not generally so low as in 1842. Thus in Cincinnati in 1843 flour was \$3.62 a barrel as compared with \$2.62 in 1842,

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<sup>16</sup> Ohio Exec. Doc., 1843, No. 38.

The company referred to was reported as the Traders' and Mechanic's Bank of Cincinnati, and the Urbana Banking Co., was the insolvent bank.—Report Bank Commissioner to Senate, Feb. 27, 1844.

<sup>18</sup> Ibid. The above report names as an example of this sort of thing the Mechanics' Saving Institution of Columbus, and recommends a law providing examination of savings institutions and insurance companies by public officers.

<sup>17</sup> Report of the Comptroller of the Currency, 1876, p. CXVII.

while pork opened the season of 1843-4 at \$2.25 to \$2.65 a hundred as compared with \$1.62 to \$2.00 the previous season.<sup>18</sup>

It does not appear, however, that in these respects Ohio was much worse off than the rest of the country. The years 1843 and 1844 were a period of low prices throughout the United States with a slight revival of industry in the latter year.<sup>19</sup> While for the entire United States the statistics of the state banks show in 1843 the lowest loans, deposits, and circulation for ten years, the capital being the lowest in 1842 and the specie continuing to decline until it reached the lowest point in 1846.<sup>20</sup>

**Private Capital in the State.** — In Ohio, moreover, though the specie in the banks was very low during the years 1843 and 1844, there was considerable specie in private hands. In Stark county, for example, after the resumption of specie payments during six months probably \$150,000 in specie was paid out for wheat alone, perhaps one-half of which remained in the county; while at Milan during three weeks in the summer of 1843 some \$700,000 was paid out for wheat and flour, though purchasers of produce mostly drew on New York houses at sight or at 30 and 60 days. All this went into the pockets of the farmers of Richland and Knox countries, except a small fraction to a few farmers in Delaware, Marion, and Crawford counties. The bank commissioners estimated that thus much more than 10 million dollars was annually brought and paid out in the state; so that when there was added the amount in the hands of merchants and retired business men, the private capital aggregated from 15 to 30 million dollars. A large part of this they considered to be in coin.<sup>21</sup>

This estimate was probably too high, as the total amount of money in the United States in 1843 was reported as only 148.6 million dollars of which nearly 40% was estimated as bank

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<sup>18</sup> Cincinnati Daily Enquirer, Feb. 23, 1846.

Report of Ohio Commissioner of Statistics, 1859, p. 96.

See also Appendix, p. 519.

<sup>19</sup> Industrial Depressions — Hull, p. 144.

<sup>20</sup> Report of the Comptroller of the Currency, 1876, pp. XCIV and XCV.

<sup>21</sup> Reports of Bank Commissioners, Dec. 17, 1843 and Feb. 27, 1844.

notes.<sup>22</sup> The Lafayette Bank of Cincinnati in reply to questions of the bank commissioners in 1844 stated that specie then formed but a small part of the circulating medium in Cincinnati; that at least four-fifths of the whole circulation of bank paper was furnished by institutions out of Ohio; while there was less specie in the state then than at any period for fifteen years.<sup>23</sup>

**Objections to the general banking law of 1843.** — During the winter of 1842-3 there had been much complaint of the scarcity of money in Ohio,<sup>24</sup> and the state legislature had consumed much time in the discussion and examination of the banking question. The discussion centered largely upon the two principles of the security of the bill holders and the convertibility of paper at all times into gold and silver. In view of the excess of issues and loans over the capital stock paid in, and consequently, the great percentage arising to corporate as compared with private business, the legislature decided in favor of personal liability.<sup>25</sup> This had been the strong feature of the general banking law passed March 7, 1842,<sup>26</sup> and was retained when that law was amended February 21, 1843.<sup>27</sup>

Although this act enabled the old banks whose charters had expired to reorganize under general law, none of them took advantage of the opportunity notwithstanding the great demand for currency. Their chief objections may be stated as follows: (1). The tax levied upon the dividends and also upon the capital stock. (2). The expense of registering the notes they would be authorized to issue, and the expense of supporting a board of bank commissioners. (3). The requirement that in case of complaint the commissioners should proceed to close a bank on the loss of one-fifth of its capital. (4). The penalty and prohibition against selling any of the gold or silver belonging to the bank. (5). The clause forbidding the holding or the purchase of any real estate, especially when the bank should be the judgment creditor and there was no other property to satisfy the debt.

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<sup>22</sup> Report of Comptroller of the Currency, 1908, p. 145.

<sup>23</sup> Ohio Exec. Doc., 1844, No. 55.

<sup>24</sup> Niles, 63:340, Jan. 28, 1843.

<sup>25</sup> Ohio Exec. Doc., 1843, No. 38.

<sup>26</sup> See p. 405.



- (6). Not being allowed to receive stock in payment of debts.  
(7). The right retained by the legislature to amend or annul the law.<sup>27</sup>

**Agitation for a new Banking Law.**— In the fall elections of 1843 the subject of "Banks or No Banks" was one of the main questions. The Whigs, who favored a bank currency, carried the legislature,<sup>28</sup> and during the following session a bill was introduced to establish the Bank of Ohio with a capital of \$10,000,000 to be distributed to branches by a board of five state commissioners.<sup>29</sup> Nothing was accomplished, however, during that session, and during the summer and fall the Ohio newspapers devoted much space to discussion of bank projects. The question seemed to be between free banking, based on a pledge of Ohio stocks, a safety fund similar to the New York plan, and the old plan of depending on a specie basis.<sup>30</sup>

**Difference of Opinion as to System needed.**— The governor of the state Thomas W. Bartley, a Democrat, in his message of December 3, 1844, discussed the banking situation at length and strongly opposed the proposition for a state bank with capital to be invested in state stocks. "Of all the schemes for banking which have been devised," said he, "this is the most objectionable and the most dangerous in its tendencies to the independence and purity of the government and the liberties of the people.—It proposes a union of bank and state—the formation of an incestuous and unholy coalition between an organized, combined monied interest, and the civil power upon which the people depend for the safety of their liberties." The plan, he objected, would perpetuate the state debt, and render the state the slave of the monied interest.<sup>31</sup>

Governor Mordecai Bartley, a Whig, in his inaugural address the same day advocated a free banking system with notes

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<sup>27</sup> Annual Report of Bank Commissioners, Dec. 17, 1843.

<sup>28</sup> Niles, 65:144, Oct. 28, 1843.

<sup>29</sup> Ibid., 66:7, Mar. 2, 1844.

<sup>30</sup> Niles, 67:192, Nov. 23, 1844.

<sup>31</sup> Ohio Exec. Doc., 1844, No. 1.

secured by a deposit of state stocks and providing for examinations and other safeguards.<sup>32</sup>

In the fall elections of 1844 the bank party had carried the day in every department of the state government, and the subject occupied a large portion of the legislative session. A majority of the legislature favored establishing banks, but there was much difference of opinion as to what system. It was difficult to adjust any plan that could obtain a majority of the votes, especially as a formidable minority stood regularly opposed to any project.<sup>33</sup>

**Kelley's Bank Bill in the Legislature.** — On Jan. 7, 1845, however, the chairman of the Currency Commission, Alfred Kelley, introduced into the senate a bill which incorporated features of several of the systems that were advocated. The committee in reporting the bill said:<sup>34</sup>

"The committee entertains no doubt that a very large majority of the people of the State anxiously desire the enactment, by the present General Assembly, of some law authorizing the establishment of banks which will furnish them with a safe and convenient currency, afford reasonable facilities for obtaining money to meet the wants of commercial and manufacturing operations, and at the same time hold out proper inducements to those who have money to invest in banking institutions.—In framing this bill the committee have constantly in view the great landmarks of entire security to the bill holder, reasonable security to dealers with the banks, and proper inducements to the capitalist, whether great or small, to invest his disposable means in banking."

This bill aimed to include the advantages of a safety fund, a bond secured circulation, and a sort of state bank, and provided for a capital of \$6,000,000 in addition to that of the existing banks. The measure was discussed until the last day of

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<sup>32</sup> Old School Republican and Ohio State Gazette, Dec. 5, 1844.

Niles, 67:323, Jan. 25, 1845.

<sup>33</sup> Niles, 67:368, Feb. 8, 1845.

<sup>34</sup> Knox, p. 679.

Niles, 67:336, Jan. 25, 1845.

January, being before the senate seventeen different days. It met with determined opposition from the Democrats, but finally passed the senate by a vote of 21 to 15, a strictly partisan vote. On February 1, the bill was first read in the house where it met the same opposition.<sup>35</sup> After being before the house on nine separate days it was passed on February 12. On the amendments it was before the senate eight times and the house four times before it was finally passed in the house by a party vote of 40 to 30.<sup>37</sup> The bill was signed by the president of the senate and the speaker of the house on February 24, 1845, and was entitled "An Act to incorporate the State Bank of Ohio and other banking companies."<sup>38</sup> This act repealed the laws of March 7, 1842 and February 21, 1843, and became the general law which dominated Ohio's banking system for the next twenty years.

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<sup>35</sup> Dayton Journal, Feb. 5, 1845.

Such phrases as the following were commonly used by opponents of the bill: "combination of disjointed shapes," "sub-potentates of the paper money dynasty," "bank rulers to domineer over and plunder us to their hearts' content," "the abominable shimplaster tyranny." — Cincinnati Daily Enquirer, Feb. 6, 1845.

<sup>37</sup> State Bank of Ohio — J. J. Janney in Magazine of Western Hist., Vol. II, p. 159.

<sup>38</sup> Laws of Ohio, Vol. 43, p. 24.

## CHAPTER IX.

### THE STATE BANK OF OHIO AND INDEPENDENT BANKS.

**The General Banking Law of Feb. 24, 1845.** — This law in addition to recognizing the old banks still existing provided for the organizing of two new classes: the State Bank of Ohio, and Independent Banks.<sup>1</sup>

Five persons or more might form a banking company, but the aggregate capital stock of all such banks should not exceed \$6,150,000, in addition to the capital of any existing banks that might be authorized to continue subject to the provisions of the act.<sup>2</sup> That the privileges of the act might not be monopolized the state was divided into twelve districts and the number of banks in each limited.<sup>3</sup>

Persons organizing a bank were required to make a certificate specifying the name of the company, the amount of its stock, and the number of shares held by each member at the time of organization. A board of bank commissioners was provided to examine all applications for the establishment of banks,<sup>4</sup>

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<sup>1</sup>Laws of Ohio, Vol. 43, pp. 24-54.

<sup>2</sup>The Bank of Geauga, Western Reserve Bank, Columbiana Bank of New Lisbon, Lafayette Bank of Cincinnati, and the Ohio Life Insurance and Trust Co., were specially authorized on certain conditions to reorganize with such an amount of stock as their directors might determine; the two latter, however, being restricted to not less than \$300,000 each nor more than \$1,000,000, and their circulation should not exceed \$650,000 each.

<sup>3</sup>Hamilton county was allowed 4 banks, Cuyahoga 6, Franklin 3, Ross 2, Muskingum 2, Jefferson 2, Summit 3, Lucas 2, Miami 2, Montgomery 2, and no other county over one.

<sup>4</sup>The act named John W. Allen, Joseph Olds, Daniel Kilgore, Alexander Grimes, and Gustavus Swan to serve for one year, after which the Auditor, Treasurer, and Secretary of State should constitute the commissioners.

By the act of Jan. 6, 1846, the duties of the bank commissioners were given to the board of control so far as they related to banks electing to become branches of the State Bank. — Laws of Ohio, Vol. 44, p. 8.

and the capital stock of each bank was limited to not over \$500,000, while it must be at least \$50,000 for each independent bank and \$100,000 for each branch of the State Bank. At least 30% of the capital stock was to be paid in gold or silver coin or its equivalent.

**Provisions relating to the State Bank.**—When seven branches should be formed they were to appoint members of a Board of Control to meet in Columbus. The act did not provide for a central bank. The banking business was to be carried on exclusively by the branches, and each branch was authorized to appoint one member of the board of control. This board was authorized to procure and furnish notes for the branches, to prescribe rules for the settlement of balances between branches, to visit and examine branches, to require any branch to reduce its circulation or other liabilities, to require from any branch sworn statements of its condition in such form and at such times as the board should see fit. The compensation of the board and the expense of printing the notes were to be paid by the branches, the latter in the ratio of the notes received by each branch.

All notes issued by any branch were to be made payable at the branch on demand in gold or silver coin, the lawful currency of the United States, or either, at the option of the branch. The amount of circulation permitted was fixed in proportion to the capital stock. A branch could issue on its capital up to one hundred thousand dollars, twice that amount of notes; on the second hundred thousand, one and one-half times the amount; on the third hundred thousand, one and a quarter times the amount; on the fourth hundred thousand, once the amount; and on any amount over four hundred thousand, not over three-fourths that amount. It could also issue notes equal in amount to its safety fund.

Each branch was required to pay over to the board of control ten per cent on the amount of notes it received for circulation as a Safety Fund. This safety fund was then to be invested in stock of the State or of the United States, or in first mortgage real estate bonds of twice the value of the amount secured, the branches to receive interest on the same. The stockholders collectively of any branch should not be liable as debtors or sureties



to such branch for an amount over one-third the capital stock paid in and remaining; nor the directors collectively for more than one-fourth the capital actually paid in and standing in their names.

When any branch should refuse to redeem its notes, it was to be considered insolvent and the board of control was to appoint a receiver. In case of insolvency each solvent branch was required to contribute in proportion to its circulation to a fund for redeeming the notes of the failing branch, to be repaid from a sale of stocks in the safety fund.

**Provisions relating to Independent Banks.** — The security of the notes issued by the independent banks rested on a different basis. Each independent bank must deposit with the state treasurer stock of the State or of the United States at least equal in amount to its capital stock. The treasurer was authorized to procure the necessary engraved plates and issue to each branch notes for circulation not exceeding the amount of stock it deposited, the expense of the same to be paid out of the state treasury. The treasurer was also to give new notes for mutilated ones and burn the latter. The banks were to receive the interest on the stock deposited except when such stocks should go below par for four consecutive weeks or the bank fail to redeem its notes. If any independent bank should fail to redeem its notes, the treasurer was to sell the stock deposited by such bank and from the proceeds pay in ratable proportion such of its circulating notes as should be presented at the treasury.

The stockholders collectively of any independent bank must not be liable to the bank to any amount over three-fifths of the capital paid in, nor the directors liable for more than an amount specified in the by-laws of the company. An examination of each independent bank was to be made at least once a year by a person in its vicinity, not a bank stockholder, who was to be appointed by the auditor, treasurer, and secretary of state.

**General Provisions of the Law.** — All banks organized under this law were made bodies corporate until May 1, 1866, and thereafter until their affairs should be closed up; but any branch of the state bank might close up its business sooner with the consent of the board of control. Notes could be issued in de-

nominations of one, two, three, five, ten, twenty, fifty, and one hundred dollars; but the percentage of those of ten dollars and under was limited. No other forms of paper could be circulated. Independent banks were required to redeem each other's notes without discrimination. Each bank was required to keep on hand at all times in gold or silver or its equivalent an amount equal to 30% of its outstanding notes.

Dividends must be paid from net profits only, and at fixed times; 6% of the amount was to be set off to the state in lieu of taxes; and the dividends of stockholders in debt to the bank were to be retained and applied to the debt. Six per cent interest only could be charged on loans, and the amount that might be loaned to any one person or firm was limited. The liabilities of each bank were also limited, and statements of condition must be made twice each year and filed with the auditor of state.

**Meeting of Board of Bank Commissioners.**—At first there was much questioning among the people of the state as to the prospect of capitalists making investments under the new banking law; but it quickly became evident that they regarded its provisions with favor, that banks would soon be organized, and that a new currency would be emitted in time to purchase the produce of that season.<sup>5</sup> On March 18, 1845, pursuant to a notice from the governor, the board of bank commissioners named in the law met at Columbus to act upon applications from banks organized under the act, and take the initiatory steps to put them into operation.<sup>6</sup> By June 19 application had been filed and proper examinations made for two branch banks in Cincinnati and one each in Xenia, Dayton, Chillicothe, Delaware, and Columbus.

**Organization of the Board of Control.**—This being the number required by the law to organize the state bank, they were each notified to elect a member of the board of control; and on July 15 the board met in Columbus, and organized the next day with members from nine branches. Gustavus Swan was elected president of the board and James T. Claypoole secretary.

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<sup>5</sup> Dayton Journal, Apr. 4, 1845.

<sup>6</sup> Niles, 68:54, Mar. 29, 1845.

The salary of the president was fixed at \$1,000 and that of the secretary at \$800 a year. At this same meeting an executive committee of four members was appointed, and a committee of the same number to secure the engraving of plates for notes. Alfred Kelley, the author of the law, was a member of both these committees.<sup>7</sup>

**Formation of New Banks.** — In September it was reported that ten branches of the state bank were already in operation,<sup>8</sup> and before the close of the year six more were added to the number. Meanwhile some of the old banks whose charters had expired were taking advantage of the part of the law which permitted them to become independent banks.<sup>9</sup> The first independent bank in Ohio was the Commercial Bank of Cincinnati. It was organized April 15, 1845. Two more followed July 1—another in September, and one in October, making five independent banks in the state before the end of 1845.<sup>10</sup> Thus in less than a year the number of banks in Ohio had increased from eight to twenty-nine.

**Effect of Increase in Banking Facilities.** — An idea of how this remarkable growth in banking facilities was regarded by the majority of the people in the state may be obtained from the governor's message to the legislature December 2, 1845. "This new Banking Law was deliberately enacted, after ample consideration, and a faithful examination of other systems which had been tested. Thus far the system has proved to be equal to the anticipations of its friends, and the necessities of the people

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<sup>7</sup> The two additional branches were the Merchants' Branch of Cleveland, and the Exchange Branch, Columbus. — State Bank of Ohio — Janney, p. 160.

Judge Swan resigned as president of the board of control November 21, 1854, and was succeeded by Dr. John Andrews, then president of the Jefferson branch, who served until November, 1866. The next president was Joseph Hutcheson of Columbus, who filled the office until May, 1870, when the board adjourned *sine die*, after electing J. Twing Brooks president. — Ibid., p. 174.

<sup>8</sup> Dayton Journal, Sept. 15, 1845.

<sup>9</sup> Niles, 68:176, May 17, 1845.

<sup>10</sup> Ohio Exec. Doc., Part II, 1853, p. 326.

For the names of these banks see Appendix, pp. 521 and 522.

of the state." "And already the people of Ohio begin to feel the influence of this system in the restoration of confidence, the revival of business, the increase of the wages of labor, and the rising prosperity of the state."<sup>11</sup>

**Opposition to the new Law in 1845 and 1846.** — Some, however, did not take so optimistic a view of the matter.<sup>12</sup> No sooner had the law been passed than the anti-bank party announced their determination to carry the question once more before the people of the state. Meetings were held in nearly every county and electioneering was done on the distinct issue of repeal of the new banking law. The advocates of the banks accepted the issue. The result of the election was again in favor of the advocates of the banks.<sup>13</sup>

In 1846 the fight was renewed. The Whig state convention was unanimous in its resolution favoring a "sound banking system," opposing the repeal of the existing law, and opposing an exclusively hard money currency. The Democratic convention, however, was divided between the "hards" and the "softs", that

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<sup>11</sup> Cincinnati Daily Enquirer, Dec. 4, 1845.

Ohio Exec. Doc., 1845, No. 1, p. 5.

<sup>12</sup> A writer in a Dayton paper discussing the Dayton Bank, an independent bank, asks: "How has the circulating medium here been benefited by the transmission of nearly the whole circulation of this bank to neighboring counties and states?" — Cincinnati Daily Enquirer, Nov. 8, 1845.

<sup>13</sup> Niles, 68:326, July 26, 1845. Also 69:143, Nov. 1, 1845.

As an example of the campaign appeals the following quotations are taken from resolutions unanimously adopted by the Democratic county convention in Hamilton County August 30, 1845:

"Resolved that the corporate privilege of concentrated means, limited liability, and protracted succession beyond the casualties and conditions of individual action ought not to be conferred on money."

"Resolved that metallic currency has been tested by the experience of ages. On the contrary all systems of paper currency ever yet contrived have failed, and in their inevitable overthrow have entailed more distress and loss, and perpetrated more robbery and fraud than would colonize a continent with convicts and paupers. Nor have we seen in the Whig legislature of last year any symptoms of a wisdom superior to the paper-mongers who have gone before them—but a compound rather of all the shallow schemes of their predecessors." — Reports on Finance, 1845, p. 553.

is, between the hard-money, anti-bank men and those who favored granting bank charters; the former faction won, but there was considerable disaffection.<sup>14</sup> When the election was over it was found that the Whigs had once more won, Governor Bebb receiving a larger plurality than his predecessor two years before.<sup>15</sup>

The safety and utility of the new system having been tested for two years, and the people having twice at the ballot box pronounced in its favor, the governor seemed justified in remarking in his message: "No longer can public sentiment on the subject be misunderstood." He was backed by public opinion when he added: "The new banking system \* \* \* has thus far been successful in accomplishing these beneficial purposes of its creation.

"The currency of the State has been restored and is now in a more safe and sound condition than at any former period. Want of confidence and alarm are no longer felt among those who are engaged in commercial affairs in this State."<sup>16</sup>

**Increase of Bank Circulation and Prices.**—In February 1846, there were in Ohio 31 banks: 8 old banks, 7 independent banks, and 16 branches of the state bank. The total capital was \$3,848,918 while the circulation was \$4,505,891.<sup>17</sup> At the beginning of the previous year there had been but eight banks in the state with a capital of \$2,321,192 and a circulation of \$2,260,403.<sup>18</sup>

It is interesting in connection with this increase of circulation to compare some prices of Ohio products at Cincinnati for December, 1844, and December, 1845. The price of wheat had increased from 70 to 90 cents a bushel; flour from \$3.70 to \$5.00

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<sup>14</sup> Niles, 70:20, Mar. 14, 1846.

<sup>15</sup> Ohio Statistics, 1904, p. 485.

Wm. Bebb was formally attorney for the old Bank of Hamilton. Its former president, John Woods, was elected State Auditor.—Ohio Press, Sept. 12, 1846.

<sup>16</sup> Message of Governor M. Bartley, Dec. 8, 1846.

Bankers' Magazine, 1:434.

Ohio Press, Dec. 8, 1846.

<sup>17</sup> Auditor's Report, Feb. 27, 1846.

<sup>18</sup> Figures for December, 1844. See pp. 413, 511.



a barrel; hogs from \$2.60 to \$4.37 a hundred; mess pork from \$8 to \$12 a barrel; and lard from  $4\frac{1}{4}$  to  $7\frac{1}{2}$  cents a pound.<sup>19</sup> This rapid rise in prices may not have been chiefly due to the increased circulation, as there was a similar rise throughout the country,<sup>20</sup> but so also was there an increased circulation of bank notes in the country as a whole from 1844 to 1845.

Anyway the friends of the new banking system in Ohio seized upon the coincidence as an evidence of the beneficial influence of the system on business and prosperity, and most of the people seemed to believe the evidence. The results of the operation of the system so far seemed to indicate that two of the objects in the minds of the framers of the act had been accomplished, namely to "afford reasonable facilities for obtaining money to meet the wants of commercial and manufacturing operations, and at the same time hold out proper inducements to those having money to invest in banking institutions."

#### **Distribution of Banking Facilities throughout the State.**

— Another object proposed to be attained by the authors of the law was "the securing to the several sections of the State a fair participation in the privileges granted by the act."<sup>22</sup> This, of course, was a matter which involved changes from time to time as towns grew into cities and new industrial and commercial developments took place in certain localities, but its operation after two years of the new system may be seen from the distribution of the banks in the state in May, 1847. At that time there were 39 banks in Ohio with a capital of \$5,071,728. These were located in 23 of the most populous counties, the larger cities having the most banks, thus Cincinnati had 6, Cleveland and Columbus each had 4, Dayton, Chillicothe, Sandusky, and Toledo 2 each, and no other city more than one. On the basis of the state's population in 1850 the per capita banking was

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<sup>19</sup> Report of Ohio Commissioner of Statistics, 1859, p. 846. Appendix, p. 519.

<sup>21</sup> Dewey, p. 260.

<sup>22</sup> Message of Governor Dennison, Jan. 6, 1862.

Cincinnati Daily Gazette, Jan. 7, 1862.

Knox, p. 680.

\$2.56 which was fairly well distributed over the state, as may be seen from the following table.

DISTRIBUTION OF BANKS AND CAPITAL IN OHIO, MAY, 1847.

Town. <sup>23</sup>	County.	Population in 1850. <sup>24</sup>	Number of Banks. <sup>25</sup>	Capital Stock.	
				Paid in. <sup>23</sup>	Per Capita. <sup>25</sup>
Springfield .....	Clark .....	22,178	1	\$55,710	\$2.512
Salem .....	Columbiana .....	33,621	1	60,000	1.785
Cleveland .....	Cuyahoga .....	48,099	4	349,068	7.257
Delaware .....	Delaware .....	21,817	1	71,195	3.401
Sandusky .....	Erie .....	18,568	2	130,000	7.001
Lancaster .....	Fairfield .....	30,264	1	49,020	1.619
Columbus .....	Franklin .....	42,909	4	682,710	15.911
Xenia .....	Greene .....	21,946	1	146,550	6.678
Cincinnati .....	Hamilton .....	156,844	6	1,640,026	10.456
Norwalk .....	Huron .....	26,203	1	200,000	7.633
Steubenville .....	Jefferson .....	29,133	1	71,230	2.445
Painesville .....	Lake .....	14,654	1	30,000	2.047
Toledo .....	Lucas .....	12,363	2	200,000	16.177
Troy .....	Miami .....	24,999	1	31,840	1.274
Dayton .....	Montgomery .....	38,218	2	169,750	4.442
Circleville .....	Pickaway .....	21,006	1	200,000	9.521
Chillicothe .....	Ross .....	32,074	2	199,679	6.226
Portsmouth .....	Scioto .....	18,428	1	37,500	2.035
Massillon .....	Stark .....	39,878	1	200,000	5.015
Akron .....	Summit .....	27,485	1	100,000	7.276
Cuyahoga Falls .....	Trumbull .....	30,490	1	35,000	1.148
Warren .....	Washington .....	29,540	1	60,000	2.031
Marietta .....	Wayne .....	32,981	1	249,430	7.563
Wooster .....					
Total for 23 counties. ....		783,698	39	\$5,071,728	\$6.473
Total for State (87 counties) .....		1,980,329	39	5,071,728	2.561

<sup>23</sup> From the Ohio State Auditor's Report of May 5, 1847, quoted in the Banker's Magazine, Vol. 2 (1847), p. 128.

For location of towns, see map of Ohio, p. 244

<sup>24</sup> Population of counties from Bulletin No. 41, 12th Census of U. S. p. 2.

<sup>25</sup> Computed by dividing amount of capital by population of county in 1850.

### Statistics of Growth of Banks under the General Law. —

The 39 banks in Ohio in May 1847 comprised 8 old banks, 9 independent banks, and 22 branches of the state bank. The principal resources and liabilities in each class are shown in the following:

OHIO BANK STATISTICS, MAY 1847.<sup>26</sup>

	<i>Independent.</i>	<i>Branch.</i>	<i>Old.</i>
Loans and Discounts.....	\$1,187,713	\$4,812,772	\$4,936,175
Specie .....	201,035	1,080,467	745,047
Capital .....	440,300	2,070,700	2,560,700
Circulation .....	707,700	3,678,900	2,894,400
Deposits .....	754,600	1,274,900	1,327,300

These figures represent the highest point reached during this period by the old banks. From this time on they gradually decreased in number and capital until finally the last one went under with the panic of 1857. The independent banks and the branches of the state bank, however, gradually increased from the time they were first organized in 1845 until they reached their highest point in 1851. In that year there were twelve independent banks with a capital of \$865,000, circulation of \$1,391,000, deposits of \$1,547,000, and loans and discounts of \$2,711,000; while there were forty-one branches of the state bank with a capital of \$4,852,000, circulation of \$8,785,000, deposits of \$3,134,000, and loans and discounts of \$11,994,000. The organization of free banks also during that year brought the total number of authorized banks in the state up to seventy, the highest number before the war.

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<sup>26</sup> Bankers' Magazine, 2:129.

## CHAPTER X.

### THE NEW CONSTITUTION AND THE FREE BANKING LAWS OF 1851.

**Failure of Old Banks.**—As early as June 1846 a New York "Bank Note Detector" published that Lake & Co. had for sometime been advertising to redeem the bills of the Bank of Wooster at 1 to 1½% discount. As it was well known in Ohio that Lake was the chief owner of this bank, the fact that he was shaving his own notes was taken as warning that they were questionable.<sup>1</sup> Ohio papers kept repeating the warning and in April, 1848, its complete failure was announced, with the news that the loss to the people of Ohio would be from \$250,000 to \$500,000.<sup>2</sup>

Early that year there was a run on the Norwalk and Sandusky Banks, and Ohio banks soon refused to take their paper, which was considered practically worthless.<sup>3</sup> A special report of the state auditor on these banks states that 242 shares out of 1000 of the Sandusky Bank were held outside the state, and 143 were held by the bank which had received them for debts due from stockholders; of \$188,801 of bills receivable \$141,709 were due from stockholders; of \$188,801 of bills receiveable 0141,709 were due from stockholders as principals and they were generally mutually indorsers for each other.<sup>4</sup>

As to the Bank of Norwalk, of its \$138,048 bills receivable and \$51,025 bills of exchange, \$112,598 was due from stockholders, with no personal security in any case other than the indoresment of a stockholder, and most of it with no indorser, and on the responsibility of a single maker of the note. With but one exception every stockholder was indebted to the bank. These

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<sup>1</sup> Ohio Press, June 6, 1846.

<sup>2</sup> Cleveland Times, Apr. 5, 1848.

Cleveland Plain Dealer, May 17, 1848.

<sup>3</sup> Cleveland Times, May 17, 1848 and Sept. 6, 1848.

<sup>4</sup> Ohio Exec. Doc., 1848, Part II, p. 13.

loans had long been standing and had been frequently extended. They were in fact loans upon the security of stock. Besides this there were \$35,344 of bills receivable due from several individuals with no security but the maker's name. The liabilities to the public were \$189,337, while the ready cash means amounted to \$44,341.<sup>5</sup> In 1850 the notes of these banks were quoted in Cleveland at from 50 to 75% discount, while the notes of all the other authorized Ohio banks were quoted at par.<sup>6</sup>

**The Anti-Bank Party again in Power.** — Such things as these increased the opposition to banks, which indeed had never died out in the state. Bank reforms, which had been the slogan of the Democrats from 1838 till 1846, began in the latter year to be superseded by the cry of bank destruction.<sup>7</sup> As one paper puts it, the Democrats would "reform banking by the entire abolition of all chartered and special privileges and by a return to the constitutional currency of gold and silver."<sup>8</sup> The Whigs took the ground that the new banking system had restored confidence, that business was in a healthful state and that existing conditions should not be disturbed.<sup>9</sup>

**The Constitutional Convention.** — The Democrats in 1850, however, again placed themselves on the hard money platform and this time succeeded in winning at the polls.<sup>10</sup> They also obtained a majority of the delegates to the constitutional convention which met that year in Columbus to devise a new constitution for the state; and a determined effort was made to put a clause in the constitution requiring the legislature to abolish existing banks, prohibiting the creation of all banks of issue in the future, and making gold and silver the only constitutional currency in the state.<sup>11</sup> Early in the struggle, however, it 'be-

<sup>5</sup> Ohio Exec. Doc., 1848, Part II, p. 21.

<sup>6</sup> Cleveland Herald, May 1, 1850.

<sup>7</sup> Ibid., July 23, 1850.

<sup>8</sup> Ohio Press, July 23, 1847.

<sup>9</sup> Gov. Ford's Message, Jan. 22, 1849. Niles, 75:92.

See also Cleveland Herald, July 20, 1850.

<sup>10</sup> Ohio Statistics, 1904, p. 485.

<sup>11</sup> Bankers' Magazine, 5:175.

The Belmont Chronicle, and Farmers' and Mechanics' Advocate, (St. Clairsville), Sept. 27, 1850.



came evident that there was considerable division of sentiment among the Democrats in the convention on the subject of banks, and that it would require the strong lash of the party to keep all the members in the hard money traces. Mr. Clark of Lorain introduced a resolution in May contemplating free banking under certain regulations, if the people of the state should approve. Mr. Dorsey of Miami, also a Democrat, introduced resolutions prohibiting the legislature from granting special bank charters, but permitting it to pass general banking laws with certain restrictions, which must, however, be submitted to the people before they should go into operation.<sup>12</sup> There were in the convention, as the Richland County Democrat put it, 48 "sound progressive" Democrats, 16 "moderate or conservative" Democrats, and 44 Whigs, thus giving the last two elements a majority. The Whigs labored incessantly to prevent the insertion of the hard money clause, and finally succeeded, the clause coming within one vote of being placed in the new constitution.<sup>13</sup>

When the new constitution was finally adopted in June 1851, it contained clauses forbidding the legislature from passing special acts conferring corporate powers;<sup>14</sup> providing for double liability of stockholders in all corporations;<sup>15</sup> and requiring that no act of the legislature authorizing banks should take effect until submitted to the people at the general election next succeeding its passage, and be approved by a majority of those voting at such election.<sup>16</sup>

**Bank Reform in the Legislature.**—Meanwhile the state legislature elected in 1850 had also been working on the banking question. While the state convention on July 4 had adopted a hard money plank, this was not approved by all in the party. For

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<sup>12</sup> Cleveland Herald, May 29, 1850.

<sup>13</sup> Ibid., Sept. 10, 1850 and Oct. 2, 1851.

<sup>14</sup> Art. 13, Sec. 1.

From 1802 to 1850 the legislature had granted 3,343 special acts of incorporation, not including municipal corporations, 51 of these had been special acts incorporating banks, all previous to 1845. In addition there had been 37 acts amending bank charters.—Ohio Exec. Doc., 1850, Part II, p. 637.

<sup>15</sup> Art. 13, Sec. 3.

<sup>16</sup> Ibid., Sec. 7.

example the Muskingum County convention a month later declared that they "regarded the resolutions of the state convention simply as the expression of the opinions of the persons there assembled."<sup>17</sup> There was a strong bank reform element in the party, and, moreover, many of the radicals were not opposed to banks so much as to the special privileges and monopoly power which had been so characteristic of the old banks.<sup>18</sup>

Besides there was a widely circulated notion that more banks were needed in various sections of the state. Thus the Bankers' Magazine in 1849 pointed out that Ohio the third state in the Union in population had not two-thirds the banking capital of Rhode Island with a population of about 135,000.<sup>19</sup> The Cincinnati Gazette in 1850 was complaining that notwithstanding the wonderful strides of Cincinnati's commercial, manufacturing, and shipping interests, legitimate banks were from year to year denied the city, which in banking capital was far behind other cities of her size and smaller.<sup>20</sup> And Cleveland's manufacturing, commercial, and marine interests in 1851 were calling for "banks which will devote themselves exclusively to discounting manufacturing and mercantile paper, paper made payable at home instead of at the east."<sup>21</sup>

In response to such conditions the legislature of 1851, though the Democrats had two-thirds of both branches, enacted another general banking law.<sup>22</sup> This was the Free Banking Law of March 21, 1851, and although many of the Democratic papers of the state opposed and bitterly denounced the act,<sup>23</sup> it was really in harmony with the Democratic ideas of equal rights. Its popularity is attested by the fact that about the same time free banking laws were passed in Indiana, Illinois, Wisconsin, and a dozen other states.<sup>24</sup>

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<sup>17</sup> Cleveland Herald, Sept. 11, 1850.

<sup>18</sup> See p. 434.

<sup>19</sup> Bankers' Magazine, 4:16.

<sup>20</sup> Ibid., 5:169 and 882.

<sup>21</sup> Cleveland Herald, May 3, 1851.

<sup>22</sup> Ibid., May 29, 1851.

<sup>23</sup> Ibid., Nov. 18, 1851.

<sup>24</sup> White — Money and Banking, p. 354.

Report of Comptroller of Currency, 1896, Vol. 1, p. 44.

**The Free Banking Law of Mar. 21, 1851.**<sup>25</sup> — This law provided that any number of natural persons not less than three might organize a company and engage in banking, with a capital stock of not less than \$25,000 nor more than \$500,000. Before such company could begin business 60% of its capital stock must be paid in, and securities of the State of Ohio or of the United States at least equal in amount to 60% of its capital stock must be deposited with the state auditor. The auditor was then to have circulating notes engraved and furnish them to the bank equal in amount to the securities deposited, but not more than three times the bank's capital.

Notes of the same denomination and in the same proportions as those permitted the State Bank might be issued; but 30% of the amount of the circulation must be kept on hand in coin or its equivalent, actual deposits in sound banks of New York, Philadelphia, or Baltimore being deemed equivalent to coin. All banks organized under this act must receive the notes of each other at par. No bank should exchange its notes for stock, nor its stock for securities to be deposited with the auditor for the redemption of notes. Uncurrent notes must not be paid out, and mutilated notes must be exchanged and burnt.

The liabilities of each bank were limited, loans to stockholders limited, dividends forbidden when capital stock should be diminished and permitted in no case exceed from net profits, and not more than 6% interest in advance should be charged on loans. If a bank should fail to redeem its notes, the auditor was to sell its deposited securities and redeem the notes from the proceeds. Besides there was individual liability of stockholders in proportion to their stock when a bank should fail to redeem; and damages for refusal to redeem notes were fixed at 15% per annum from time of refusal till resumption. Where a bank was owned by less than 6 stockholders they were individually liable for all the debts and liabilities of the bank.

The law also made it the duty of the auditor, treasurer, and secretary of state, or a majority of them, as often as once each

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<sup>25</sup> Laws of Ohio, Vol. 49, pp. 41-56.

year to appoint some suitable person in the vicinity of the bank, but not a stockholder in any bank in the state, to examine the bank and make a detailed report to the state auditor. All the free banks were to have corporate power until 1872, and thereafter till the act should be repealed.<sup>26</sup>

**Free Banks organized in 1851 and 1852.** — During the next few months following the passage of the free banking law twelve new banks were organized under its provisions, thus increasing the number of banks in the state to seventy, with a capitalization on November 15, 1851, of \$7,949,356. In 1852 another new bank was organized under this law making thirteen free banks in all. Others were contemplated but the going into effect of the new constitution effectually stopped the organization of any further banking associations by the provision requiring submission to the people at a general election.<sup>27</sup>

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<sup>26</sup> For certain other provisions of the law see Appendix, p. 499.

<sup>27</sup> See page 435.

For statistics of free banks see Appendix, pp. 330-336.

The Attorney General of Ohio in 1852 gave it as his opinion that no new banks could be established under the free banking act on account of the new constitution. — Ohio Exec. Doc., 1854, No. 9, p. 564.

## CHAPTER XI.

### BANKING AND CURRENCY CONDITIONS IN OHIO, 1851 TO 1854.

**End of Another Period of Bank Expansion.**—The adoption of the new state constitution in June, 1851, so soon after the passage of the free banking law, and the opinion of the attorney general given in 1852 that according to the constitution no more new banks could be established under that law, marked the end of another period of expansion in authorized banking in Ohio. From the adoption of the general banking law in 1845 up to this time the number of authorized banks had steadily increased, as also had the specie in their vaults, their deposits, their capital, their circulation, and their loans and discounts. The only exception to this constant increase was that with the business depression of 1847 their deposits showed a temporary falling off, and their capital and loans showed a lower rate of increase. In 1851 the circulation reached \$11,832,511, and in 1852 the loans reached \$19,241,225, the highest point either had ever attained, and the highest they were destined to reach before the Civil War.<sup>1</sup>

**Expansion Period one of Business Prosperity.**—This period of bank expansion was also one of increased business prosperity in the state. While the banking capital of \$3,000,000 in 1843 was rising to \$19,000,000 in 1852, the population rose to 2,000,000, and the total assessed value of taxable property which was \$138,000,000 in 1842, rose to \$508,000,000 in 1852.<sup>2</sup> Within this period the State had completed her 600 miles of canals and railroads also had come to be an important factor in the transportation of her products.

In April, 1853, the "Railroad Record" showed that Ohio had the largest mileage of railroads constructing and also the largest amount of surplus produce. With the exception of cotton and

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<sup>1</sup> See diagram in the Appendix, p. 511.

<sup>2</sup> See Appendix, p. 520.



tobacco Ohio was then exporting more agricultural products and manufactures from agricultural products than were exported from the whole United States.<sup>3</sup> During the year 1852 there were driven from Ross County 7,000 head of beef cattle, as many more from Pickaway County, and from the entire state 68,000. That year also Ohio exported over 2 million barrels of flour, 3 million pounds of butter, 4 million pounds of cheese, 6 million pounds of wool, 6 million bushels of corn, and near 10 million bushels of wheat, besides tobacco, whiskey, pork, and beans, the total, even at the low prices prevailing in Ohio in 1852, amounting to more than \$40,000,000.<sup>4</sup> This was double the value of the exports ten years before,<sup>5</sup> and since it was surplus one might say that it represented a net profit for the year of something like 8% on the 500 millions of landed property in the state.

**The Profits of the Banks.**—As this export trade created a good part of the demand for the banking facilities in Ohio it may be well at this point to inquire what part of this large profit accrued to the banks. For purposes of taxation the banks were required to report their yearly dividends to the state auditor, and his reports show that in 1850 the net profits of the 12 independent banks amounted to \$117,372, the 41 branches of the state bank \$690,781, and 4 old banks \$194,223, a total of \$1,002,376 or an average of nearly 14% on their total capital. In the case of individual banks the rates of profit on the capital paid in ranged from 3.5 to 18.1% for the independent banks reporting, 5.4 to 35.2% for the branch banks, and 4 to 8.3% for the old banks. In 1851 the net profits ranged somewhat higher, being \$122,050 for the independent banks, \$733,844 for the branches of the state bank and \$194,323 for the old banks, a total of \$1,050,117. The rates for the individual banks ranged from 3.1 to 37.1%, the latter being the profit of the Harrison County Branch at Cadiz.<sup>6</sup> For the year 1853, 36 branches of the state bank reported dividends of \$572,157, the rate varying

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<sup>3</sup> See Statistical Abstract of the United States, 1911, p. 718.

<sup>4</sup> Daily Commercial Register (Sandusky, O.), Apr. 11, 1853.

<sup>5</sup> See p. 415.

<sup>6</sup> Auditor's Report, Mar. 16, 1852.

from 6 to 20% ; 6 independent banks reported \$95,840, the rate ranging from 7.6 to 13.9% ; and 11 free banks reported \$72,996, the rates running from 2.6 to 12.2%<sup>7</sup> These amounts do not include the undivided profits in either case.<sup>8</sup>

**Sources of Banking Profits.** — Since both the state banking law of 1845 and the free banking law of 1851, under which nine-tenths of these banks were organized, prohibited the banks from charging over 6% interest in advance, one might wonder whence these large dividends. In general the banks made their profits from three sources :

1. The interest on the stocks deposited.
2. The interest derived from bill and note discounting.
3. The premiums and profits from eastern exchange.

As to the first point, the stocks deposited mostly bore 5 and 6% interest, and in the case of the state stock banks were at least equal in amount to their circulation. Sometimes the stocks deposited by a bank were not its actual property but were borrowed, the bank paying 1 or 2% to the owner for its use.<sup>9</sup> The profits arising from the second source need no explanation. They probably did not constitute over 3/5 of the bank profit.

A big source of profit, however, was the premium realized from eastern exchange over and above the legal interest. Ohio bought most of her imports in New York and there the settlement of balances was ultimately made for both imports and exports. Comparatively little specie was used in these settlements. Ohio's surplus produce always more than paid for the imports. Eastern exchange arose from drafts and bills drawn by Ohio traders upon produce either shipped or to be shipped east. These drafts or bills were discounted at the Ohio banks, which then charged simple interest for the time they had to run. They cost little or nothing to transmit and collect east. Ac

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<sup>7</sup> *Ibid.*, Apr. 8, 1854.

<sup>8</sup> For dividends of individual banks in 1853 and net profits of each from date of organization to end of 1853 see Appendix, p. 521.

The Commercial Branch, Cleveland, paid its stockholders an average of nearly 20% for 20 years till its charter terminated in 1865. — *Mag. of West. Hist.*, 2:276.

<sup>9</sup> Special Report of Auditor. — Exec. Doc., 1853, **Part II**, p. 326.

maturity the banks drew against them, and being more convenient and less liable to risk than specie, usually commanded a small premium.

The majority of the bills were 60 day drafts. Regular 6% interest in advance on these was practically equal to 7%. In addition there was the current rate of exchange at maturity, frequently one per cent or more. On such bills they made 13% per annum. If there were a premium of one-half percent this profit became 16%, which much of the time was the ruling rate. On a 30 day bill, or one having still less time to run, the interest made would be still higher, 25 and sometimes 30%.<sup>10</sup>

Other profits arose from buying and selling transient eastern drafts. At Cincinnati and Cleveland much transient exchange was purchased in the market, which yielded considerable profits, from an eighth to a quarter percent. It frequently happened that such a bill was sold on the same day it was purchased. If one-fourth percent was made on the transaction and the capital employed in such business was turned once a week, the profit amounted to 13% per annum, if twice a week 26%, if every day 75%. Doubtless many exchange discounts and purchases were kiting operations by mutual tacit agreement, where no funds were east, nor expected to be there, and yet be paid by the bank and exchange added.<sup>11</sup>

**The Ten Per Cent Interest Law.**—One noticeable fact about banking operations in the early 50's was the gradual ex-

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<sup>10</sup> Example from Savings Bank of Cincinnati: Dec. 14, 1853, bought 60 day draft on Philadelphia:

Face of draft..... \$3500

Charged exchange.. 17 50

Interest ..... 36 75

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\$54 25

Exchange premium 35 00

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Profit ..... \$89 25 = over 14% a month or over 15% a year.

See report special bank examiner, Reemelin, Oct. 15, 1854, p. 347.

<sup>11</sup> Report of Special Bank Examiner, Reemelin, Oct. 15, 1854, p. 560.

tion of all home discounting. In the statement of twenty-four stock banks reported in 1854 by the special bank examiner appointed by the auditor and secretary of state, it appears that ten million of the banks' discounts were for bills and only four million for notes. Before 1850 the tendency was rather to discount notes for goods purchased and sold on credit.<sup>12</sup> The change was due largely to what was called the 10% interest law, which was passed in 1850 largely through the efforts of Senator Payne of Cuyahoga County.<sup>13</sup>

This law allowed 10% interest to be charged in special contracts, and was supposed at the time of its passage to be an inducement to outside capital. Its practical result, however, was to create two classes of capitalists: the brokers and private bankers, who could charge 10%; and the authorized banks, limited by the general banking laws to 6%.<sup>14</sup> This seriously affected banking operations. Bankers who previously had been content with dividends of 7 or 8%, began to complain of any less rate than 10%. Cashiers, hearing this and fearing a stampede of their stockholders into private banking, strained every nerve to come up to the coveted 10%. Profits were divided closer than safe banking would justify; contingent funds were omitted; and losses carried forward, instead of being charged off. The exchanges being more profitable than note discounting, many banks ceased in large part to discount home paper.<sup>15</sup>

**Bankers interested in Broker Establishments.**—Many bank managers became interested in broker establishments, and many brokers in banks, both in and outside the state. Both bankers and brokers were quick to discover opportunities for mutual profit. It followed that the banks seldom had any money to loan at 6%, when they could hand it over to the broker who

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<sup>12</sup> Hunt's Merchants' Magazine, 21:96, (1849).

<sup>13</sup> Cleveland Herald, Sept. 30, 1850.

<sup>14</sup> Daily Ohio Statesman, Jan. 8, 1858.

It was said that the author of this law, doubting his re-election to the legislature, intended to retire to private life and devote his business hours to the pleasant occupation of shaving notes, and to make it pay, procured the passage of the law allowing 10% interest.—Cleveland Herald, Sept. 26, 1850.

<sup>15</sup> Ohio Exec. Doc., 1854 No. 9, p. 561.

was allowed to charge 10%.<sup>16</sup> The borrower presenting himself at the bank would be politely told that they had no money to lend at that time; but as he was about to leave he would be told that he might possibly get it next door or around the corner. There he would be accommodated, but at a rate two or three per cent above the proper discount. To prevent this sort of thing in the State Bank it was provided that no branch should, directly or indirectly, establish an agency anywhere for carrying on a banking business. And it is said that no such irregular connections were to be found among the branches of the State Bank.<sup>17</sup> The same cannot be said of all the other banks however. In one locality in 1854, a few men organized as a bank on one side of the street were confined to 6%, but the same men as a broker partnership on the other side of the street were allowed to charge ten,—and both dealing with the same money. In Cincinnati managers of a foreign bank were loaning the notes of that bank at 10%, while the Ohio banks who circulated the same notes by arrangement, and were furnishing eastern exchange for them, could not legally charge more than 6%. Again a bank on the lake, not being permitted to charge over 6% at its counter, was sending its capital to a broker firm in Cincinnati, who were its stockholders, and they were charging 10% for the same money.<sup>18</sup>

**Increase of Private Banks and Broker Shops.**—The withdrawal of so many of the authorized banks from home discounting, along with the tempting 10%, fostered into existence all over the state private bankers and brokers of but little real capital. They offered 6% interest and more for deposits and

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<sup>16</sup> Daily National Democrat (Cleveland), Sept. 30, 1859.

The Miami Valley Bank at Dayton and the Seneca County Bank at Tiffin are examples of banks whose chartered privileges were placed in abeyance in the hands of their principal stockholders—brokers, who used the circulation and enjoyed all the advantageous part of the charter, but escaped all the legal restraints, especially as to interest.—Ohio Ex. Doc., 1854, No. 9, p. 559.

Daily Ohio Statesman, Jan. 8, 1858.

<sup>17</sup> State Bank of Ohio—Janney, p. 154.

<sup>18</sup> Ohio Exec. Doc., 1854, No. 9, p. 561.



banked on them.<sup>19</sup> They also entered the exchange market and operated without restraint as to discount or premium. What rate of interest they charged was not positively known but it was generally assumed to be not less than 12% and from that up to 50% per annum.<sup>20</sup>

Little is known as to the number of these private banks and broker establishments in the state. The Bankers' Magazine in 1851, commenting on the insufficiency of incorporated banking capital in Cincinnati, names eighteen private banks but also refers to a "host of brokers who are employed in shaving notes or getting them shaved;" and referring to their high interest charges states that "the mercantile community of Cincinnati are annually fleeced out of from 20 to 25% of their hard earned profits in the shape of usurious interest," while the private banks and brokers have built up fortunes for themselves.<sup>21</sup>

Many of these firms were quite important. The Cincinnati Gazette in December 1852, refers to several private banks in that city returned by the assessor at from \$200,000 to \$400,000 each and numerous others at 150,000 dollars each.<sup>22</sup> While in October 1853 the Bankers' Magazine estimates the private banking capital of Cincinnati at \$4,000,000, not including brokers with taxable capital under \$10,000. The capital of the firms included ranged from \$17,700 to \$1,200,000.<sup>23</sup> The largest of these, Ellis and Sturges, together with two other well known and well thought of houses, Smead and Co., and Goodman & Co., suspended payment in the fall of 1854, causing great excitement in the city.<sup>24</sup> The Bankers' Magazine in 1854 names 53 private

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<sup>19</sup> Cleveland Herald, May 9, 1851, contains an ad. of one of these private bankers, offering 6% interest on demand deposits, 8% if subject to 10 days' notice, and 10% on special deposits for 12 months. Another in the same paper offered from 4 to 6% interest. Also in Cist's Weekly Advertiser (Cincinnati), February 11, 1853, a broker was advertising for note and bill discounting, and offering 6% interest on checking deposits and higher interest if left for a specified time.

<sup>20</sup> Bankers' Magazine, 5:882 (1850-1).

<sup>21</sup> Ibid., 5:169 and 882.

<sup>22</sup> Cleveland Herald, Dec. 20, 1852.

<sup>23</sup> Bankers' Magazine, 8:359.

<sup>24</sup> Cincinnati Daily Enquirer, Nov. 9, 1854.

banks in Ohio;<sup>25</sup> while special bank examiner Reemclin the same year estimated that there were not less than 100 broker shops and private banking houses in the state.<sup>26</sup>

**Failure of Laws against Unauthorized Banking.**— These private bankers and brokers aided greatly to demoralize regular banking operations and force upon the people of the state a depreciated currency. Their unrestrained exchange operations helped to prevent any reliable currency standard, and eastern exchange was rendered more fluctuating. Their desire for cheap money and plenty of it to loan at high and profitable rates of interest led them to the use of more and more foreign and questionable home paper, thus helping to give Ohio a depreciated currency.

All laws against unauthorized banks and bank paper seem to have been in vain. Almost at once after the passage of the general banking law of February 24, 1845, the legislature had passed a law, March 12, 1845, prohibiting anyone from engaging in banking without express authority of the state law.<sup>27</sup> That this law proved inadequate is seen from the fact that less than a year later, January 22, 1846, an act was passed to prevent unauthorized banking, which prohibited banks and brokers from banking on the currency of other states, and prohibited the circulation of foreign notes under \$5 and all notes of old banks whose charters had expired.<sup>28</sup>

The State Bank of Ohio endeavored to act in accordance with these laws, and discountenanced the circulation of foreign notes in the state. On August 11, 1847 the board of control passed a resolution that after October 1, of that year no branch should circulate any foreign bank notes not readily converted into coin at par. The board of control repeatedly took action

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<sup>25</sup> Bankers' Magazine, 9:19-23.

<sup>26</sup> Ohio Exec. Doc., 1854, No. 9, p. 562.

<sup>27</sup> This was supplemented by an act of May 1, 1854, prohibiting the paper of banks whose charters had expired.—Ohio Laws, 52:133.

<sup>28</sup> Ohio Laws, 44:13.

Knox, 682.

This was amended March 2, 1846, allowing the state treasurer to circulate such notes until August 15, 1846.—Ohio Laws, 44:116.

on the subject of unauthorized circulation.<sup>29</sup> Not all other banks, however, were so careful, and February 24, 1848 an act was passed forbidding Ohio banks to pay out foreign bank notes under penalty of one-half the amount of the bills so paid out, while any notes purchased in violation of this act should be deemed null and void.<sup>30</sup> The prohibition could not be enforced, however, and, as we have seen, after the passage of the 10% interest law in 1850 the evil became worse.

The small notes gave the most trouble and on May 1, 1854, a law was passed forbidding the circulation after October 1 of any foreign notes less than \$10, under penalty of \$100 fine and forfeiture of charter.<sup>31</sup> This was intended to get rid of what one paper called "the swarm of unsafe, rotten shinplasters with which we are flooded from other states."<sup>32</sup> The small note law was very generally disregarded, however, especially whenever currency became scarce or exchange advanced;<sup>33</sup> and when the Republicans came into power it was repealed March 5, 1856.<sup>34</sup> In Governor Chase's inaugural address in January of that year he remarks: "All attempts to exclude, by penal legislation, the bank notes of other states from circulation in this have proved

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<sup>29</sup> State Bank of Ohio — Janney, p. 171.

<sup>30</sup> Ohio Laws, 46:79.

Ten years later Gov. Chase recommended to the legislature the strengthening of this law to prevent the evils of foreign paper in the state. — Daily Ohio Statesman, Jan. 4, 1858.

<sup>31</sup> Ohio Laws, 52:83.

<sup>32</sup> Cincinnati Daily Enquirer, June 25, 1854.

<sup>33</sup> Many of the small notes circulating in Ohio were those of eastern banks, which if good at all answered as exchange for all ordinary purposes, and when exchange was high poured into the state until a decline in exchange rendered it expensive to continue the operation. — Daily Ohio Statesman, Nov. 28, 1855.

<sup>34</sup> Ohio Laws, 53:20.

An Ohio paper has this to say on the subject: "One of the acts of the last Democratic Legislature was to render the passing of small notes on foreign banks illegal, punishing it with an adequate penalty. While that law was in force, there was specie enough in use to answer every demand. But the Black Republicans repealed this law, and in less than 30 days, the State was flooded with petty rags, many of them on banks the location of which it was impossible to trace out on any map yet published." — Daily Ohio Statesman, Oct. 10, 1857.

ineffectual; and the public sentiment demands an increase of banking capital, organized under our own laws."<sup>35</sup>

**Demand for More Banking Capital in Ohio.**—The cry for more banking capital was an old one in Ohio. But it was especially loud in the years following the adoption of the new constitution.<sup>36</sup> The assertion was often made that not enough banking capital was authorized by the laws. It may be questioned, however, whether the statement was altogether correct.

Cincinnati was the place most often cited where it was said the State had not provided sufficient banking capital and circulation.<sup>37</sup> Yet the banks authorized there and in existence in 1854 might have issued a circulation of at least \$4,500,000. The argument of a lack of capital or opportunity to maintain such a circulation seems weakened somewhat by the fact that five banks in Indiana and Kentucky issuing circulation to the amount of some \$3,000,000 were maintained chiefly from Cincinnati capital,<sup>38</sup> while the Commercial Bank of Cincinnati protected for some time a large Tennessee circulation, and all the Cincinnati banks and brokers aided in the circulation of foreign notes. The same money that maintained a foreign circulation might have maintained a home currency.

<sup>35</sup> Cincinnati Daily Enquirer, Jan. 15, 1856.

<sup>36</sup> Mr. H. F. Baker writing in 1854 on Banking in the United States, states that the great want of banking capital was the chief difficulty in the Ohio system. — Bankers' Magazine, 9:6, (July, 1854).

<sup>37</sup> See pp. 436 and 445.

Bankers' Magazine, 11:171.

<sup>38</sup> Foreign Bank.	Ohio Owners.	Circulation.
Connersville Bank .....	B. F. Sanford.....	\$834,875
Steuben County Bank.....	S. W. Torrey & Co.	150,000
New York and Virginia State Stock Bank .....	Atwood Dunlevy & Co. ....	236,000
Kentucky Trust Co.....	B. F. Sanford.....	1,000,000
Branch of State Bank, Lawrenceburg..	S. W. Torrey & Co.	not known
		<hr/> \$2,220,875

B. F. Sanford was chief stockholder and also chief debtor of the Savings Bank of Cincinnati, a free bank. — Ohio Exec. Doc., 1854, No. 9, p. 565.

The same may be said of other places in Ohio whose bankers started Indiana banks.<sup>39</sup> Various Illinois and even more distant banks also were used for circulation, for which Ohio capital and exchange furnished the basis, thus indicating that it was not lack of capital in Ohio that prevented a sufficient home currency. That it was not prevented by want of authority is also suggested by the fact that at no time during this period had all the \$6,150,000 capital authorized by the general banking law of 1845 been taken up by nearly \$2,000,000. And even if no more banks could have been organized under the law of 1851, the thirteen free banks already organized, being allowed \$500,000 each, might have taken up \$6,500,000 in all, some \$5,700,000 of which remained unappropriated. Had all this capital been taken up and notes issued to the full amount authorized, the total circulation would certainly not have fallen short of \$20,000,000, which amount it was claimed Ohio needed at that time.<sup>40</sup>

**Depreciated Currency in the State.**—It is likely that Ohio frequently did have that much of a circulation, such as it was, even during the years 1853 and 1855 which show so decided a contraction in the authorized circulation. During the summer of 1854, for example, it is said the currency manufacturers and borrowers never had been busier. The home currency was neglected, it is true, adjoining states were ransacked for banks when established, in order to borrow circulation from them, or to establish new banks. And yet money was scarce, and eastern exchange more so. Ohio borrowed and borrowed everybody's credit and called it money, and the more she borrowed the less real money she had. Many Ohio bankers, interested in banks in other states, encouraged this borrowing propensity. They were aided by the brokers, many of whom became the worst

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The Central Bank, Indianapolis.....	Judge Brown .....	\$323,000
Upper Wabash Bank.....	Marfield of Circle- ville .....	195,000
Wayne Bank, Richmond.....	Beckel of Dayton...	100,000
Northwestern Bank .....	Tallmadge of Lan- caster .....	300,000

— *Ohio Exec. Doc.*, 1854, No. 9, p. 565.

<sup>40</sup> *Ohio Exec. Doc.*, 1854, No. 9, p. 566.



species of banks of issue. The effect was to introduce into the state a mass of foreign paper which expelled from circulation not only nearly all the coin, but also much of the paper of the home banks, thus exposing the community to great inconvenience and loss.<sup>41</sup>

For several years Indiana, Illinois, Kentucky, Virginia, Louisiana, and Michigan supplied the currency to the exclusion of Ohio bank notes. Thus a depreciated currency standard was imposed on the state. As the currency fell, eastern exchange rose; and with the advance in exchange there was a rush for the redemption of all the Ohio notes that were easily accessible. The exchange thus drawn from Ohio supplied new foreign issues, and through them a constant draft upon Ohio was kept up by the brokers, who were playing into the hands of half Ohio half Indiana bankers. The result was that Ohio bank notes had to be redeemed five or six times a year or oftener in eastern exchange. As each redemption cost at least 1%, it followed that it cost some 6 to 10% a year to maintain an Ohio circulation.<sup>42</sup> This cost was the great obstacle to Ohio circulation, which declined from 11.8 millions in 1851 to 8 millions at the close of 1854. During the same period the specie in the authorized banks declined from 2.8 millions to 1.7 million.<sup>43</sup>

**Schemes to Avoid Redemption.** — To avoid the continual draft upon them, banks resorted to those schemes so prevalent in former years so to pay out their own paper as to drive it as far from home as possible, while about home they circulated foreign paper.<sup>44</sup> This habit had been common prior to 1850 and does not seem to have been confined to any one class of banks. About the time the State Bank of Ohio was established it was generally known that Ohio banks had agencies in Illinois to

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<sup>41</sup> Message of Governor Chase, Jan. 4, 1858 — *Daily Ohio Statesman*, Jan. 5, 1858.

<sup>42</sup> Ohio Exec. Doc., 1854, No. 9, p. 566.

Also Ohio Banks (Baker). *Bankers' Magazine*, 11:171.

<sup>43</sup> See Appendix, p. 511.

<sup>44</sup> H. F. Baker writing of Ohio banks in 1856 cites an instance of an old and wealthy citizen of Cincinnati writing a letter to the city council in which he states that in 6 years he had received but 4 Cincinnati bank notes. — *Bankers' Mag.*, 11:174.

distribute their paper for circulation, with the object of keeping it at a distance and preventing its return for redemption.<sup>45</sup> A little later these agents and others in Iowa were reported to be telling the people of those states that the State of Ohio was bound for the redemption of the notes of the State Bank of Ohio.<sup>46</sup> In Ohio branch banks in distant parts of the state were said to circulate for each other,<sup>47</sup> the bills being regularly exchanged, package for package.<sup>48</sup> Customers of a bank would frequently be given notes of the bank only under a promise not to pay them out until they should get a considerable distance from home, the object being to keep their notes in the hands of people who were too far away to offer them for redemption in gold or silver.<sup>49</sup>

In 1851 a special bank examiner, A. F. Johnson, commenting on Ohio banking said that the availability of specie ever since resumption had been a practical delusion, as the banks employed the financial subterfuge "of circulating or paying out the paper of each other, and while deluding the people with the cant of paper or specie at the will of the holder, the circulation of each bank was found as far from the place of issue as they could find men to carry it or roads to travel."<sup>50</sup> While in 1854 the report of the special bank examiner, Charles Reemelin, shows that the practice of exchanging notes and keeping their circulation as far from the bank as possible was still common to all the banks of the State. Ohio bankers have, said he, like many other bankers, "a pernicious hankering for always circulating among the people

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<sup>45</sup> *Daily Ohio Statesman*, Jan. 6, 1846.

The Commercial Bank of Cincinnati had a St. Louis "agency" which became a federal depository. — U. S. H. of R. Comm. Reports, 1836-7, No. 193, p. 598.

<sup>46</sup> *Ohio Press*, May 2, 1846.

<sup>47</sup> Thus the Exchange Branch of Columbus circulated in that city notes of the Commercial Branch of Cleveland while the latter circulated notes of the former. — *Ohio Press*, July 22, 1846.

<sup>48</sup> *Cleveland Times*, June 23, 1847.

<sup>49</sup> *Cleveland Times*, Sept. 8, 1847. Also *Ohio Press*, Oct. 28 and 31, 1846.

*Cincinnati Daily Enquirer*, Mar. 10, 1846.

<sup>50</sup> *Ohio Exec. Doc.*, 1851, Part I, p. 666.

that currency which the people have the least chance to get redeemed; and they seem to regard it as a part of their *esprit du corps* to drive all bank notes as far as possible from home."<sup>51</sup>

**The Use of Banks for Deposits and Loans.**— Throughout the period then the banks seem to have failed to give Ohio a good home currency. They also, at least in the later years, failed to regulate trade. Exchange was subjected to the fluctuations incident to a depreciated currency, resulting in inconvenience and loss to the whole business community. Mr. Reemelin in 1854 estimated the illegitimate cost to the state from extra exchange, note shaving, and broken banks at \$750,000 a year.<sup>52</sup> And H. F. Baker in his history of Ohio banks two years later declared this amount too low, in view of the fact that the exports and imports of Cincinnati alone for that year were nearly \$90,000,000.<sup>53</sup>

The chief use of the banks was coming to be not that of furnishing Ohio a home currency, nor exchange at fair rates, but to provide a gathering place where surpluses could safely be deposited, to be loaned to such as needed temporary accommodations. The capital of the citizens rather than that of the banks had for months done the business of Ohio. Very little of Ohio banking capital was then owned outside the state. Ohio bank statistics in the fall of 1854 stood somewhat like this:

Capital already accepted in Ohio.....	\$6,000,000 <sup>54</sup>
Discounts from this capital.....	14,500,000
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Surplus of discounts over capital.....	\$8,500,000
Of which the deposits account for.....	6,200,000
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Leaving but .....	\$2,300,000

to be provided for by the little Ohio circulation remaining after supplying the specie and exchange required by law.

<sup>51</sup> Ohio Exec. Doc., 1854, No. 9, p. 567.

<sup>52</sup> Ohio Exec. Doc., 1854, No. 9, p. 563.

<sup>53</sup> Bankers' Magazine, 11:174.

See also Appendix, p. 525.

<sup>54</sup> Ohio Exec. Doc., 1854, No. 9, p. 569.

All this was Ohio capital. With the brokers and private bankers the case is still clearer. Practically all their loans came from deposits. The growing importance of the deposits relative to the capital and circulation of the Ohio Banks during the years 1851-4 may be seen from the following:

STATISTICS OF OHIO BANKS IN MILLIONS OF DOLLARS.<sup>55</sup>

Year.	Capital.	Circulation.	Deposits.
1851 .....	7.6	11.8	5.5
1852 .....	7.8	11.5	6.0
1853 .....	7.1	11.4	7.4
1854 .....	8.0	9.8	7.7

From these figures it may be deduced that while the ratio of circulation to capital dropped from 155% in 1851 to 123% in 1854, during the same period the ratio of deposits to capital rose from 72% to 96%. Moreover, while the circulation showed an absolute decline from year to year, the deposits showed a constant advance. Thus the deposits were only 47% as large as the circulation in 1851, but 79% in 1854.<sup>56</sup>

**Bank Failures in 1854.**—The day had not yet come, however, when the deposit function exceeded that of note issue in Ohio banks. The figures given above are for the first of each year. By the end of 1854 the circulation had still further declined, but the deposits also had fallen off. Notwithstanding the

<sup>55</sup> Report of Comptroller of Currency, 1876, p. CXVII.

<sup>56</sup> Most of the banks in the state at this time were willing to pay 4% or more for deposits left with them for more than 90 days.—Ohio Exec. Doc., 1854, No. 9, p. 567.

The increasing importance of deposits became still more apparent towards the close of the period, as may be seen from the statistics of the free, independent, and branch banks in Ohio, which showed the following changes from 1860 to 1863:

	Decreased.	Increased.
Capital .....	\$800,424	.....
Circulation .....	1,882,576	.....
Discounts .....	881,050	.....
Specie .....	172,628	.....
Deposits .....	.....	\$6,195,036

—*Rept. O. Com'r Statistics*, Feb. 5, 1864, p. 628.

contraction in the circulation of the authorized banks in the state, the years of depreciated currency and demoralized banking had produced an excessive inflation and a commercial crisis. The banks of the state organized under the general laws received their first shock in 1854, when at the time of the crisis in the stock market at New York the Ohio valley was the scene of a bank crisis.<sup>57</sup> During the three years 1852-4, fourteen of the authorized banks in Ohio failed, or closed up for other reasons. Of these, ten disappeared from the state auditor's reports in the year 1854, three of them being old banks, three free banks, two independent banks, and two branches of the state bank.<sup>58</sup>

**Condition of Remaining Banks.**—Of the four classes of banks in the state then, there remained at the close of 1854 but one old bank, nine independent banks, ten free banks, and thirty-seven branches of the state bank. The old bank was the Ohio Life Insurance and Trust Company of Cincinnati. The capital of this institution was \$2,000,000, only about \$600,000 of which, however, was employed in its banking business, the remainder being used in the insurance and trust department. This company was conservative and its business said to be conducted in the most careful manner.<sup>59</sup> The branches of the state bank, too,

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<sup>57</sup> Banking in All Nations, 1:442 and 4.

Cincinnati Daily Enquirer, No. 9, 1854.

For failure of important private banks in Cincinnati see preceding page 445.

<sup>58</sup> The charters of two of these old banks expired Jan. 1, 1854. The charters of two others, the Bank of Circleville and the Bank of Massillon, were to expire in 1855, but both became insolvent and were ranked among the broken banks of the state before the end of 1854.

The Bank of Massillon failed in November, 1853, close upon the failure of H. Dwight of New York City, its principal owner, who had used practically all its circulation in building the Cleveland & Pittsburg and the Chicago & Mississippi Railroads. The last report of the bank showed that Dwight had \$350,000 of its means subject to sight draft. Its capital was \$200,000, of which he owned \$170,000.—See Cleveland Plain Dealer, Nov. 7, 1853, and Cincinnati Daily Enquirer, Nov. 19 and Dec. 3, 1854.

For branches of State Bank which failed in 1854, see Note, p. 483.

<sup>59</sup> Men and Measures of Half a Century—McCulloch, p. 132.

Hunt's 28:736.



were generally regarded as sound and enjoyed the utmost public confidence.<sup>60</sup>

The free banks and the independent banks, however, the special bank examiner in October 1854 placed in three classes: Safe and doing a legitimate business, 6; Guilty of some one or other improper practice, 8; More or less liable to censure and loss, 8.<sup>61</sup> Of these, one independent bank and two free banks failed before the end of the year, leaving but 57 authorized banks still in active operation in Ohio on the first day of January 1855.<sup>62</sup>

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<sup>60</sup> Ohio Banks — Baker. Bankers' Magazine 11:167.

<sup>61</sup> In Class No. 1, was but one free bank, the Bank of Commerce, Cleveland; the five independent banks were the Franklin Bank of Zanesville, Bank of Geauga, City Bank of Cleveland, Mahoning County Bank, and the Western Reserve Bank at Warren.

In Class No. 2, were two independent banks, the Commercial Bank at Cincinnati and the Canal Bank at Cleveland; and six free banks, Champaign County Bank at Urbana, Merchants' Bank at Massillon, Bank of Marion, Franklin Bank of Portage County, Pickaway County Bank at Circleville, and the Springfield Bank.

In Class No. 3, were three independent banks, Sandusky City Bank, City Bank of Cincinnati, and the City Bank of Columbus; and five free banks, Savings Bank of Cincinnati, Stark County Bank at Canton, Union Bank of Sandusky, Forest City Bank of Cleveland, and the Iron Bank of Ironton. — Ohio Exec. Doc., 1854, No. 9, p. 557.

<sup>62</sup> For statistics of condition see Appendix, pp. 508, 514.

The Canal Bank of Cleveland failed to redeem its notes in November, 1854, and was placed in the hands of a receiver. — Magazine of Western History, 2:287.

## CHAPTER XII.

### BANK TAXATION IN OHIO BEFORE THE WAR.

#### **Decline in Banking Facilities attributed to Tax Laws.—**

A large part of the decrease in the number of banks during the years following the new constitution was attributed by the banks to adverse legislation. The party then in power was credited with a hostility to all banks. Their opponents had charged them with trying to frame the new constitution so as to admit of legislation which would crush the banks. That plan failing, these critics assert, they then turned to the taxing power as a means of waging war on the banks.<sup>1</sup> That this party the same year the new constitution was adopted passed the free banking law, thus throwing open the opportunities to engage in banking, did not prevent even the free banks themselves from heaping criticisms upon the tax laws.

The decline in the circulation of the authorized banks beginning in 1851 and the drop in capital and loans in 1852 were at once attributed to the tax laws of those years. The Bankers' Magazine in July, 1853, states: "The severe tax laws of Ohio, adopted within the last two years, have had a depressing effect upon the banking system and facilities of that state."<sup>2</sup> Mr. Henry F. Baker, writing in the same year, observes: "It is such laws as these which stimulate reckless financiers to artifices and schemes of evasion, wholly at variance with the principles of sound banking."<sup>3</sup> While in 1854 the banks themselves almost uniformly held up the tax law as the scape goat of all their financial troubles.<sup>4</sup>

**Taxation of Dividends or Profits prior to 1850.** — Without doubt the legislation on the subject of taxing the banks had

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<sup>1</sup> Daily Commercial Register (Sandusky), March 2, 1853.  
Banking in All Nations, 1:442.

<sup>2</sup> Bankers' Magazine, 8:85.

<sup>3</sup> Banks and Banking in the United States — H. F. Baker, p. 40.

<sup>4</sup> Report of Bank Examiner Reemelin, Oct. 15, 1854.

been varied and somewhat vacillating. Prior to the general banking law of 1845 the general principle followed had been that of a tax on dividends.<sup>5</sup> And the law of February 24, 1845, authorizing the State Bank of Ohio and other banking companies required the banks to pay, in lieu of the tax on dividends, 6% on the profits after deducting expenses and ascertained losses.<sup>6</sup> The banks organized under this law paid this 6% tax for several years without question and the arrangement was generally considered as a contract binding on both state and banks.

The old banks then in the state were by their charters made subject to a tax of 5% on their dividends as provided by the tax law of March 12, 1831, and such taxes as might be imposed by law. This law was amended March 2, 1846, the same day the Ohio legislature passed the Alfred Kelley general property tax law, and all the banks except the Ohio Life Insurance Co. and those organized under the State Bank law, were required to set off for the state 6% of their gross profits in lieu of the tax on dividends.<sup>7</sup> The general property tax law provided for assessing and taxing property according to its money value, but the taxing of the banks only on their profits was held out as a bonus for foreign capital.<sup>8</sup>

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<sup>5</sup> See preceding pages. Also Index.

Pennsylvania, in 1814, was the first state to adopt this form of bank taxation. Virginia and Ohio were the only other states which began and for some time continued to tax banks on dividends, though Vermont and some others sometimes inserted charter provisions reserving to the state part of the profits. — *Essays on Taxation* — Seligman, p. 143.

<sup>6</sup> Ohio Laws, 43:24.

Some of the banks construed this so as to make the 6% payable to the state part of the expenses and to be deducted before setting off the state's share, thus giving the state a smaller share. To settle this question the state brought suit against the Franklin Branch in Columbus, one of the banks which deducted the 6% as an expense. The court held that this 6% was not a part of the expenses, but rather a part or share of the dividend of profits, and gave judgment for the state. — *Bankers' Magazine*, 4:412 (1849). — *Hunt's Merchant's Magazine*, 22:103 (1850).

<sup>7</sup> Ohio Laws, 44:121.

The O. L. I. & T. Co. still paid 5% on its dividends.

<sup>8</sup> Message of Gov. Medill, Jan. 7, 1856 — *Cincinnati Daily Enquirer*, Jan. 9, 1856.

**Tax on Capital Stock and Surplus in 1850 and 1851.**—

For some years then there was more or less agitation for a law taxing banks on their loans and discounts, with the idea of getting at their real capital in trade.<sup>9</sup> Finally an act was passed March 23, 1850 providing that each bank, whose charter did not provide another mode of tax, should report the amount of its capital and surplus and be taxed on that sum at the same rate as was assessed on money at interest at the place where the bank was located.<sup>10</sup> Banks taxed specially could consent to this act and come under it. The idea was to tax banks just as other property was taxed. The Whigs and Free Soilers all advocated this law and the Democrats, or Locofocos as they were called, almost all opposed it.<sup>11</sup>

By January, 1851, five banks had accepted the terms of this act. Thus there was quite a diversity of bank taxation in the State. The Ohio Life Insurance and Trust Co., for example, under its charter was taxed but 5% on its dividends, the new banks organized under the State Bank law of 1845 paid 6% upon their profits, except those that accepted the terms of the act of March 23, 1850; these paid the regular property tax rate on their capital stock and surplus fund.<sup>12</sup>

On March 21, 1851, the legislature passed a law taxing banks and other stocks the same as other property in the State was taxed.<sup>13</sup> This placed the tax on capital stock and surplus the same as the law of March 23, 1850, but its provisions were general and applied to all banks then existing or afterwards to be established in the state, unless exempted by contract.<sup>14</sup> That this law did increase the taxes on the banks is shown by the state auditor's report for 1851 which gives the total taxes paid by the banks under the act of March 21, as \$129,722.58, while

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<sup>9</sup> Ohio Press, Jan. 6, 1847. Ohio Ex. Doc., 1848, Part 2, p. 536.  
Ibid., 1850, Part 1, p. 359.

<sup>10</sup> Ohio Laws, 48:88.

<sup>11</sup> Belmont Chronicle, March 29, 1850.

<sup>12</sup> State Auditor's Report.

Cleveland Herald, Jan. 16, 1851.

<sup>13</sup> Ohio Laws, 49:56.

<sup>14</sup> Ohio L. I. & T. Co. vs. Henry Debolt — 16 Howard 439.

if they had been taxed on their profits alone the tax would have been only \$64,104.52.<sup>15</sup>

**Opposition to Tax Law of 1851.**—By March 1852 five independent and seven branch banks had placed themselves under these acts of 1850 and 1851.<sup>16</sup> The majority of the banks organized under the law of 1845, however, opposed the law, and May 22, 1851, the board of control of the state bank adopted resolutions asserting that it was inexpedient for the branches to waive their constitutional and charterde rights and consent to be taxed under the act of March 21, 1851.<sup>17</sup> A test case was submitted to the State Supreme Court, which held that the act of 1845 contained no contract on the part of the state not to change the mode or amount of taxation. The Supreme Court of the United States, however, at the December term 1853, overruled this decision, and held that the act of 1851 impaired the obligation of a contract and was therefore void.<sup>18</sup>

**Tax on Loans and Discounts.**—Meanwhile the new constitution was adopted in June, 1851, containing clauses providing that all property, personal or real, should be taxed by a uniform rule; and that laws should be passed taxing notes and bills discounted or purchased, moneys loaned, and all other property of all banks then existing or afterwards created in the state so that all property employed in banking should always bear a burden of taxation equal to that imposed on the property of individuals.<sup>19</sup> In accordance with these clauses a law was passed April 13, 1852, requiring that all banks of issue should make returns under oath of the average amount of their notes and bills discounted or purchased, on which any profit was

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<sup>15</sup> Ohio Exec. Doc., 1851, Part I, p. 629.

<sup>16</sup> State Auditor's Report, March 16, 1852.

<sup>17</sup> State Bank of Ohio—Janney, p. 172. The Bankers' Magazine of July, 1853 (p. 85), stated: "The tax law of 1851 is so oppressive that several of the banks have opposed it in the courts while others have concluded to go into liquidation and place their means where the law of contracts is more strictly adhered to, and where capitalists are not looked upon as the enemies of the poor man and laborer."

<sup>18</sup> Piqua Branch State Bank vs. Knoop, 16 Howard 369.

<sup>19</sup> Art. 12, Secs. 2 and 3.

<sup>20</sup> Ohio Revised Statutes, 1854, p. 907.



earned;; also of the average amount of all their other moneys, effects or dues, which were loaned or otherwise used with a view to profit.<sup>20</sup> On these amounts they were then to be taxed at the same rate which individual property paid.

**Refusal of Banks to Pay the Tax.**—These provisions the banks considered very oppressive and unjust, claiming that they were thus taxed on three times the amount of their capital, or what individuals would pay on the same capital. Many banks refused to pay the tax and carried the matter into the courts, claiming that if they were not sustained they would have to go out of existence.<sup>21</sup> Several banks actually did close, change to private banks, or withdraw part of their circulation, assigning the tax law as the reason.<sup>22</sup> The feeling against the law was very bitter on the part of the banks. On the other hand their intense opposition, carried to the point of refusing to pay the tax, aroused strong resentment among those charged with the enforcement of the law, and the legislators, and their friends throughout the state, responsible for its existence. A report of the auditor of state February 12, 1853, said: "But few of the banks of Ohio have paid the taxes assessed against them under the provisions of the act of April 13, 1852. This delinquency is not a matter of accident, but is attended by circumstances which betray the existence of a conspiracy to trample upon and override the very authority which gave the conspirators their corporate existence."

**The Crow Bar Law of 1853.**—A bill to enforce the collection of the bank taxes was even then before the legislature.

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<sup>21</sup> Daily Commercial Register (Sandusky), May 27, 1852, and Feb. 12, 1853.

<sup>22</sup> In April, 1852, the Dayton Bank, an independent bank, decided to wind up, saying that their taxes would have been \$6,000 as compared with \$1,100 the year before. About the same time the Franklin Branch Bank of Cincinnati closed as a bank and the firm of Groesbeck & Co. took its place, the view being expressed that the tax was much less on brokers than on banks. At this time, too, the Xenia Branch of the State Bank decided to withdraw 40% of its circulation (\$110,000) and retire a proportionate amount of its capital stock, claiming that the taxes assessed on the branch were three times as much as on property in other business.—Cleveland Herald, May 1, 7 and 8. 1852.

It was opposed by the Whigs and by some of the Democrats, especially the bankers in the party;<sup>23</sup> nevertheless on March 14, 1853, it became a law.<sup>24</sup> This was the famous "Crow Bar Law," so called because it provided that if the taxes assessed under the act of April 13, 1852, were not paid by December 21 of any year a penalty of 5% should be added; then if not paid within 5 days, the county treasurer should enter the vaults of the bank by force, if necessary, and seize sufficient money or other property to pay the taxes and the 5% penalty, together with a 5% poundage and all the costs of the seizure and any sale that might be necessary.

This was actually done in the case of the Commercial Bank of Cleveland, the money being seized, and marked, and placed for safe keeping in the vaults of the Cleveland Insurance Company. The banks had assigned their interest in the amount to J. G. Deshler of Buffalo, who immediately began suit by writ of replevin in the United States Court at Columbus. The United States marshal forced the vaults of the insurance company at night, obtained the marked money, and brought it into court. The law was declared unconstitutional.<sup>25</sup>

In 1854 the tax law of April 13, 1852, was also declared unconstitutional so far as it related to the banks organized by the law of 1845, the United States Supreme Court holding that the fact that the Ohio constitution permitted such a tax did not release the State from its contract.<sup>26</sup>

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<sup>23</sup> Daily Commercial Register, Jan. 28, 1853.

Mr. Beckel, a prominent Democratic bank president of Dayton, was one of those active in opposition to the law.

<sup>24</sup> Ohio Laws, 51:476.

<sup>25</sup> Daily Commercial Register, March 28, 1853.

Banks and Bankers of Cleveland—*Magazine of Western Hist.*, 2:290. Knox, p. 684.

After the Republicans again came into power in the legislature the "Crow Bar Law" was repealed by the act of Feb. 26, 1857.

<sup>26</sup> Dodge vs. Woolsey—18 Howard 331.

The Cincinnati Enquirer called the decision a blow at state sovereignty, the view having been held by the dominant party in the state that the power of taxation was an act of sovereignty which one legislature could not part with in perpetuity.—See Cincinnati Daily Enquirer, May 30, 1854, and Feb. 26, 1856.

**Kelley's Bank Tax Law of 1856.**—In the fall election of 1855 the Republicans were victorious and April 1 and 8, 1856, new laws were passed which provided in effect that all banks, including those organized under the law of 1845, should report their capital stock, surplus, contingent fund, and undivided profits, as the basis of taxation and be placed on the duplicate as other property of the state.<sup>27</sup> Under this system the banks were taxed for two years without any serious objection on their part.<sup>28</sup> It was asserted by some, however, that thus thousands of dollars of bank capital were exempted from taxation resulting in the decline in the amount of personal property from 297 million in 1854 and 283 million in 1855 to 263 million in 1857 and 240 million in 1858.<sup>29</sup>

**Vacillating Character of Rest of Period.**—In the fall of 1857 the radical party made gains in the legislature and on April 12, 1858, acts, amending the laws of March 23, 1850, April 13, 1852, and April 1, 1856, were passed, which provided for assessing and taxing all property in the state according to its true value in money; and it was then provided that each bank should make an annual statement to the county auditor showing the average amount of loans and discounts, on which any profits were earned, and the average amount of all other moneys, etc., employed with a view to profit (except the average specie reserved to redeem notes and pay depositors, and also average amount of balance due from banks on which no interest was received). These amounts were then to be placed on the duplicate and taxed as other property.<sup>30</sup> Many of the drastic features of the 1853 law were re-enacted and again the independent and branch banks refused to pay the tax. They claimed that the acts taxing them in a way different from that provided in the law of 1845 impaired the obligation of a contract; and their contention was upheld by the United States Supreme Court.

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<sup>27</sup> Ohio Laws, 53:51 and 216.

The latter act was known as Kelley's Bank Tax Law.

<sup>28</sup> Annual Report of State Auditor, Jan. 1, 1860, p. 16.

<sup>29</sup> Ohio Statesman, Dec. 29, 1858.

<sup>30</sup> Ohio Laws, 55:52 and 128.

These acts were repealed by the general tax law of April 5, 1859, but the method of taxing banks remained the same as provided in 1858, except that banks organized under the law of 1845 should make returns to the state auditor instead of the county auditor. Upon refusal or neglect by any bank to make the returns required, the amount was to be ascertained from the quarterly reports and 50% added to it.<sup>31</sup> These banks continued to resist collection of the tax and the state had much litigation and but little revenue from them under this law.

An act of Apr. 4, 1861, however, changed the above so as to make capital stock, undivided profits, and deposits the basis on which banks should be taxed.<sup>32</sup> This law was much more successful in its results and remained in force during the rest of the period covered in this monograph. The banks organized under the 1845 law generally accepted this plan and proceeded to pay their taxes as the new law provided, their back taxes however being paid as provided in the law of 1845. Inducement for the others to fall in line was offered early in 1862 when most of the banks in the United States, except in Ohio, Indiana, and Kentucky, had suspended owing to the war. An Ohio law was passed Jan. 16, 1862, permitting temporary suspension of specie payment by all Ohio banks, except those that refused to accept the tax law of 1861.<sup>33</sup>

The 1861 law was repealed by that of Apr. 16, 1867, which also amended the act of Apr. 5, 1859. This law provided that real estate of the bank be taxed where located, as other property, and required that the shares of the banks stock be listed and taxed where the bank was located. The banks, however, could pay the tax on the shares and take it out of the dividends.<sup>34</sup> This plan with some modification remained in use in Ohio until the close of the century.<sup>35</sup>

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<sup>31</sup> Ohio Laws, 56:175-218.

<sup>32</sup> Ohio Laws, 58:59.

<sup>33</sup> Ohio Laws, 59:3. Exec. Doc., 1861. Vol. II, p. 251.  
Bankers' Magazine, 12:961.

<sup>34</sup> Ohio Laws, 64:204.

<sup>35</sup> Taxation in Ohio — Evans, p. 48.

## CHAPTER XIII.

### THE BANK OF OHIO, PANIC OF 1857, AND NOTE REDEMPTION AGENCIES.

**Further Decline in Banking Capital in 1855.** — Notwithstanding the fact that by 1855 the Supreme Court had declared unconstitutional both the obnoxious tax laws of 1851 and 1852, which the banks organized under the law of 1845 had pronounced the great obstacle to their progress, yet the capital of the authorized banks in Ohio continued to decrease. In May 1855 another branch of the State Bank failed and was closed by the board of control;<sup>1</sup> while from January to November of that year the capital of the independent banks decreased \$169,340. the decrease during the year for all the authorized banks being \$675,000.<sup>2</sup> Meanwhile the influx of foreign bank notes still

**Act to Incorporate the Bank of Ohio and other Banks.** — In January 1856 the newly elected Republican governor, Salmon P. Chase, in his inaugural address to the legislature called attention to the failure to exclude the paper of banks from other states, adding: "Public sentiment demands an increase of banking capital, organized under our own laws, contributing in just measure, to our own revenues, and sufficient to furnish the necessary facilities for the transaction of business." He then pointed out that the constitution provided for the authorizing of new banks by the legislature, the act then to be submitted to a vote of the people and not to take effect unless approved by a majority vote.<sup>3</sup> He also suggested the repeal or amendment of the 10% interest law, saying: "There seems to be no valid reason

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<sup>1</sup> On May 23, 1855, the Commercial Branch of Toledo was placed under the care of the executive committee, and funds were provided to redeem its circulation and the branch closed.—State Bank of Ohio—Janney, p. 169.

<sup>2</sup> Report of Comptroller of Currency, 1876, p. CXVII.  
continued.

<sup>3</sup> Cincinnati Daily Enquirer, Jan. 15, 1856.



why the capitalists should be encouraged to demand so large a proportion of the earnings of the produce and the profits of the manufacturer and the merchant."

The latter suggestion did not result in the desired legislation, one argument advanced being that 10% interest rate tended to draw foreign capital into the state.<sup>4</sup> The former recommendation, however, met with the approval of the legislature, and on April 11, 1856 it passed an act "to incorporate the Bank of Ohio and other Banks." This act was similar in its general provisions to the law of 1845.<sup>5</sup> It was to be submitted to popular vote at the October election and if approved was to take effect at once and continue until 1877.

**Objections to the Proposed Banking Law.** — Opposition to the proposed banking law soon began to develop, however. The law contained an individual responsibility clause, a limitation of the rate of interest, and a restriction on the indebtedness of stockholders and directors. Some objected to these. Others objected to the requirements to pay out nothing but gold or silver or the notes of specie-paying Ohio banks. Still other objected to the deposits required with the state treasurer.<sup>6</sup> The act also prohibited the legislature "from imposing any greater tax upon property employed in banking under this act than is or may be imposed upon the property of individuals." This clause, too, met opposition. The result was that the act was not approved by a majority of all the electors voting at the October election and failed to become a law.<sup>7</sup>

**Governor Chase favors Free Banking.** — Soon after that the Supreme Court of Ohio unanimously decided that the act to authorize free banking passed March 21, 1851, but supposed by many to have been abrogated by the new constitution adopted in June 1851, remained in full force unaffected by any provision of that instrument. So when Governor Chase delivered his next message to the legislature in January, 1857, he remarked that public opinion still remained divided as to whether the privilege

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<sup>4</sup> Ibid., March 15, 1856.

<sup>5</sup> Report of Comptroller of the Currency. 1876, p. XXVII.

<sup>6</sup> Cincinnati Daily Enquirer, May 25, 1856.

<sup>7</sup> Daily Ohio Statesman, Jan. 6, 1857.

of banking should be limited to a definite number of institutions or extended to all who were willing to give the required securities and guaranties against abuse; but he expressed his own preference for the most liberal extension of the privilege with such restrictions upon its exercise as would effectually protect the community against a mere paper money currency.

He then suggested to the legislature the expediency of observing the practical operation of the free banking act of 1851, and of so amending it from time to time as might be necessary to protect and secure the interests of the community, without invoking the decision of the people upon a new banking law.<sup>8</sup>

**Another State Bank Law rejected by the Voters.** — The State Bank advocates, however, were not yet willing to adopt the governor's recommendation. Two weeks later Mr. Kelley introduced into the Senate another bank bill,<sup>9</sup> which soon after passed the legislature as an act "to incorporate the Bank of Ohio and Branches."<sup>10</sup> This act was similar to that rejected by the people in 1856, but omitted the part providing for independent banks. Provision was made for submitting it to popular vote;<sup>11</sup> but when the election came off, it was found to have suffered the same fate as its predecessor of the year before. As the governor remarked in his next message, it could then properly be considered as settled that the majority of the electors did not desire the further creation of institutions of the character proposed.<sup>12</sup> This ended the legislative acts for a Bank of Ohio with branches. The people of the state themselves had decided in favor of the more democratic free banking system.<sup>13</sup>

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<sup>8</sup> Governor Chase's Message, Jan. 5, 1857.

<sup>9</sup> Daily Ohio Statesman, Jan. 23, 1857.

<sup>10</sup> Ohio Laws, 54:140.

<sup>11</sup> Ohio Laws, 54:78.

<sup>12</sup> Daily Ohio Statesman, Jan. 5, 1858.

<sup>13</sup> An act of May 21, 1894, repealed the law of Feb. 24, 1845, which authorized the State Bank of Ohio and the independent banks. It also repealed the acts of Jan. 6, 1846; Feb. 24, 1848; March 8, 1850; March 22, 1851; March 14, 1859, and April 25, 1862. And Ohio today has a modified form of the free banking law of 1851. — Ohio Laws, 91:338 (1894).

Knox, p. 690.

**Distribution of Ohio Banks in January 1857.**—In January, 1857 there were 60 banks in Ohio, 1 old bank, 10 independent banks, 13 free banks, and 36 branches of the state bank. These were well distributed throughout the state, being located in 41 counties and 45 different towns or cities. Cleveland had 5, Cincinnati, Columbus, and Chillicothe had 3 each, five other towns had 2 each and the remaining places had but one bank apiece. As compared with 1847 Cleveland had gained one bank and Cincinnati had lost 3. The total capital of all the banks was \$5,871,822, which on the basis of the population in 1860 means a capital of \$2.51 per capita. This figure was about the same as in 1847, but the per capita figures for the different counties show greater uniformity in 1857, only one county, Ross, having as much as \$10 per capita. The distribution of banks and capital by towns and counties may readily be seen from the following table.

## DISTRIBUTION OF BANKS AND CAPITAL IN OHIO, JANUARY, 1857.

Town.*	County.	Population in 1860.†	Number of Banks.‡	Capital Stock.	
				Paid in.‡	Per Capita.§
Ashtabula .....	Ashtabula .....	31,814	1	\$100,000	\$3.143
Athens .....	Athens .....	21,364	1	100,000	4.681
Bridgeport .....	Belmont .....	36,398	1	100,000	2.748
Ripley .....	Brown .....	29,958	1	120,000	4.006
Urbana .....	Champaign .....	22,698	1	26,000	1.145
Springfield .....	Clark .....	25,300	2	150,000	5.929
Salem .....	Columbiana .....	32,836	1	100,000	3.045
Cleveland .....	Cuyahoga .....	78,033	5	570,000	7.305
Delaware .....	Delaware .....	23,402	1	94,500	3.954
Sandusky .....	Erie .....	24,474	2	176,500	7.212
Columbus .....	Franklin .....	50,361	3	450,000	8.935
Lancaster .....	Fairfield .....	30,538	1	100,000	3.275
Washington .....	Fayette .....	15,935	1	100,000	6.275
Xenia .....	Greene .....	26,197	1	100,000	3.517
Cincinnati .....	Hamilton .....	216,410	3	321,572	1.487
Cadiz .....	Harrison .....	19,110	1	101,000	5.233
Logan .....	Hocking .....	17,057	1	100,000	5.563
Norwalk .....	Huron .....	29,616	1	125,000	4.221
Steubenville .....	Jefferson .....	26,115	1	100,000	7.658
Mt. Pleasant .....			1	100,000	
Mount Vernon .....	Knox .....	27,735	1	100,000	3.606
Painesville .....	Lake .....	15,576	1	50,000	3.210
Ironton .....	Lawrence .....	23,249	1	65,350	2.811
Elyria .....	Lorain .....	29,744	1	75,000	2.522
Toledo .....	Lucas .....	25,831	1	100,000	3.871
Youngstown .....	Mahoning .....	25,894	1	50,000	1.931
Marion .....	Marion .....	15,490	1	50,000	3.228
Troy .....	Miami .....	29,959	1	100,000	6.676
Piqua .....			1	100,000	
Dayton .....	Montgomery .....	52,230	2	157,000	3.006
Zanesville .....	Muskingum .....	44,416	2	200,000	4.503
Circleville .....	Pickaway .....	23,460	1	100,000	4.261
Ravenna .....	Portage .....	24,208	1	103,000	8.080
Franklin Mills .....			1	103,000	
Eaton .....	Preble .....	21,820	1	92,600	4.583
Mansfield .....	Richland .....	31,158	1	100,000	3.209
Chillicothe .....	Ross .....	35,071	3	400,000	11.406
Portsmouth .....	Scioto .....	24,297	1	100,000	4.116
Tiffin .....	Seneca .....	30,868	1	100,000	3.240
Canton .....	Stark .....	42,978	1	30,000	5.352
Massillon .....			2	200,000	
Cuyahoga Falls .....	Summit .....	27,344	1	100,000	3.657
Warren .....	Trumbull .....	30,656	1	75,000	2.447
Marietta .....	Washington .....	36,268	1	100,000	2.757
Wooster .....	Wayne .....	32,483	1	90,000	2.771
Total for 41 counties.		1,408,860	60	\$5,871,822	\$4.156
Total for State (88 counties)		2,339,511	60	5,871,822	2.510

\* For location see map p. 244.

† 12th Census Bulletin No. 41, p. 2.

‡ Banker's Mag. 11:610-17 (Feb. 1857).

§ Ratio of capital stock to population in 1860.

**Industrial Progress in Ohio 1852 to 1857.** — The less than 6 millions of bank capital shown in the foregoing table represent a big decline from the nearly 8 millions employed in Ohio in 1852. During the intervening years private banks and brokers had flourished, depreciated foreign paper had abounded, and trade and exchange had been subjected to much uncertainty. Nevertheless the industries of the state had been progressing in spite of the decline in authorized banking facilities, and the fluctuations of exchange rates.

In Ohio, as in other parts of the country, the years 1850-2 had been years of comparatively low prices. Then followed a gradual rise in prices until they reached a high level in 1855. Thus in Cincinnati from 1851 to 1855 the price of wheat rose from 58 cents a bushel to \$1.62, corn from 30c a bushel to 43c, flour from \$2.95 a barrel to \$8.10, whiskey from 16c a gallon to 34½c, hogs from \$4.55 a hundred to \$6.30, pork from \$12 a barrel to \$16, lard from 7c a pound to 10¾c, sugar from 5¾c a pound to 7½c, coffee from 10c a pound to 12¼c, and tallow candles from 10c a pound to 15c.<sup>14</sup> In 1856 all these prices show a decided falling off while in 1857 they were about as low as in 1852.

It will be seen then that the increase is not merely in price, when it is stated that from 1852 to 1857 Ohio's annual export of home products increased from \$40,000,000 to \$70,000,000. This represented a surplus from a total production of agricultural, mineral, and manufactured products amounting to more than \$261,000,000 leaving over \$191,000,000 for home consumption.<sup>15</sup>

<sup>14</sup> Report of Ohio Commissioners of Statistics. 1859, p. 96.

Industrial Depressions — Hull. pp. 145 and 146.

See Appendix, p. 519.

<sup>15</sup> Annual Report of Commissioner of Statistics. 1857, p. 540.

Ohio Exec. Doc., 1857, Part I, No. 8, p. 351.

<i>Products of —</i>	<i>Production.</i>	<i>Exports.</i>
Mining .....	\$9,483,500	\$2,100,000
Agriculture .....	132,700,000	48,300,000
Manufacture .....	119,300,000	20,000,000
Total .....	\$261,483 500	\$70,400,000



**Failure of Ohio Life Insurance and Trust Company. —**

It was well for Ohio at this time that her business prosperity rested on the solid basis of her agricultural and mineral wealth and the products manufactured therefrom, rather than on the speculative foundation of the stock market. Throughout the country the rapid industrial development of the period, stimulated by new gold discoveries, expansion of paper money, excessive railroad building, etc., had been accompanied by undue speculation, and credit was strained to the danger point. A fall of stocks in the summer of 1857 caused great embarrassment to many eastern bankers and others who held call loans for which they had taken stock collateral. And on Aug. 24, the crisis was occasioned by the failure of the Ohio Life Insurance and Trust Co., with liabilities running into millions.<sup>16</sup>

This institution had enjoyed excellent credit; its home business had been well and carefully managed; and its directors as well as the public thought it sound and prosperous. Its failure was due to big speculative operations by the cashier of its New York office. The deposit balances in New York had been employed in common by the Cincinnati and New York offices, discounted upon to some extent in the West and the remainder loaned by the New York cashier under the advice of a sub-board of eastern trustees.<sup>17</sup> Large amounts had been borrowed on call in New York and loaned on financial securities where they were not immediately available.<sup>18</sup>

**The Panic of 1857.** — The failure of the Life and Trust Co., precipitated a panic in New York. All the banks of that city suspended specie payment but one, the Chemical. On Sept. 12 and 13 the banks of Philadelphia, Washington, Baltimore, and

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<sup>16</sup> History of American Currency — Sumner, pp. 180 and 181.

Financial History of U. S. — Dewey, pp. 263-4.

<sup>17</sup> Men and Measures of Half a Century — McCulloch, pp. 132-133. Bankers' Magazine, 12:240 (September, 1857).

<sup>18</sup> Sumner, p. 181.

The president of the company reported among the causes of the failure: "*First*. In his (the cashier's) dealings with, and large advances to the Cleveland and Pittsburg Railroad Company, to aid in the completion of said road. — State Bank of Ohio — Janney, p. 171.

many interior towns suspended. Within a fortnight stocks fell 40 or 50% and 20,000 persons were thrown out of work in New York City.<sup>19</sup> Important railroads reaching into the West became bankrupt, but the crisis was mainly financial. 150 banks were said to have failed in Pennsylvania, Maryland, Virginia, and Rhode Island.<sup>20</sup> Suspension became general except in the Ohio Valley, at New Orleans, in South Carolina, and some scattered exceptions elsewhere.<sup>21</sup>

**Failure of Trust Company threatens State Bank of Ohio.**

—In Ohio practically all the private banks were compelled to close their doors, and several of the authorized banks failed. Many of the Ohio banks had kept their New York accounts with the Ohio Life Insurance & Trust Co., and its failure seriously crippled them. Almost all the branches of the State Bank had made the Trust company their New York agent. On Feb. 2, 1857, the branches had in eastern exchange \$1,130,398, nearly all with the Trust company. These deposits of some of the branches equaled their entire capital. Fortunately two influential members of the board of control were in New York at the time of the failure, and got from the cashier a contract setting aside assets enough to meet the demands of the branches. This saved some of them from ruin.<sup>22</sup>

Sept. 30, 1857, the board of control adopted a resolution asserting that the branches of the State Bank could and would continue specie payments, and agreed to a plan proposed by Mr. Kelley to diminish their immediate liabilities, increase their available assets, and otherwise act in concert to increase their ability to maintain specie payments.<sup>23</sup> And throughout this trying period the branches of the State Bank of Ohio continued

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<sup>19</sup> Sumner, pp. 182 and 183.

<sup>20</sup> Gilbert on Banking, Vol. II, p. 337.

<sup>21</sup> Banking in All Nations, 1:427.

<sup>22</sup> State Bank of Ohio — Janney, p. 170.

<sup>23</sup> Ibid., p. 167.

to redeem their notes;<sup>24</sup> although several of the other banks in the state had suspended.<sup>25</sup>

**The State Bank establishes a Note Redemption Agency.**—Among other recommendations in the plan adopted by the board of control of the State Bank in September, 1857 to enable the branches to continue specie payment was one urging the branches, which had not already done so, to cooperate in the note redemption agency which had been arranged in Cincinnati by some of the branches in May, 1857. Twice before such agencies had been successfully established for a time.<sup>26</sup>

**The Ohio Bank Agency of 1850.**—In 1850 some of the branches in conjunction with other banks in the state established an agency in Cincinnati, where on account of the course of trade the circulation of Ohio banks concentrated, with the object of checking the continual drain of specie from their vaults, and of keeping their notes equal to coin by furnishing eastern exchange for them, at all times, at about the cost of transporting coin. The arrangement provided that each associated bank should contribute in proportion to its circulation (not over 10%) in eastern exchange to be deposited with the agency as a permanent fund. The eastern funds of the agency were to be deposited in eastern banks subject to sight draft and at such rate of interest as might be agreed upon. The agency was to sell exchange at rates that

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<sup>24</sup> "But only nominally," says Mr. McCulloch, who adds: "Its capital was locked up in the Ohio Life and Trust Company, and it was so crippled by the failure of that bank that even the brokers forebore to return its notes."—*Men and Measures of Half a Century*—McCulloch, p. 133.

<sup>25</sup> *Banking in All Nations*, 1:442.

Daily Ohio Statesman, Oct. 30, 1857 and Jan. 5, 1858.

The following interesting quotation is from the Crawford County Forum. Similar accounts can be found in the Darke County Democrat, Cleveland Plain Dealer and other Ohio papers of the time.

Many Ohio banks are "resisting specie payments by the interposition of hired mobs. Within the last month citizens have been driven from the banks and threatened with personal violence in Mansfield, Springfield, Marietta, Xenia and Piqua, for daring to ask specie for notes on these banks."—See Daily Ohio Statesman, Nov. 10 and 19, 1857.

<sup>26</sup> *Bankers' Magazine*, 12:943.

would prevent the shipment of specie to the East, receiving notes of specie paying banks. These notes would then be assorted and reported to each bank, which was at once to send the amount to the eastern deposit bank of the agency to the credit of the agency, and send a duplicate check to the agency. The bank's notes would then be subjected to the order of the bank.

Notes of banks not members of the association when received were to be returned for redemption, or otherwise disposed of as might best promote the objects of the agency. When a member should refuse to settle as above, or a non-member refuse to redeem its notes, all the associated banks were to furnish the agency with notes of the refusing bank and receive therefor coin or exchange, when collected, paying the agency only the cost of converting and transporting the same.<sup>27</sup>

**The Opportunity for a Redeeming Agency.** — The board of control of the state bank after considering the matter at various times finally decided that the arrangement was prejudicial to the interests of a large portion of the branches, and it was discontinued.<sup>28</sup> It was felt by some familiar with currency conditions in the state, however, and especially during the great increase of depreciated paper after 1852 that some such arrangement should be resumed, that the Ohio Valley banks might keep their notes nearly at par by using the large balances which they usually had in New York for their redemption, and thus extend their circulation by the facility with which they could be converted into bankable funds. The rate of exchange on New York was rarely above  $\frac{1}{2}\%$ , and was often down to par.<sup>29</sup>

**The Agencies of 1854 and 1857.** — In May 1854 the scheme was renewed by the branches of the State Bank. A fund was raised and placed in the Mechanics' and Traders' branch at Cincinnati for the purpose of returning to the proper bank and converting into eastern exchange all notes that were depreciated below those of the State Bank. The Mechanics' and Traders' branch failed in November of that year, however, and again the

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<sup>27</sup> Cincinnati Price Current, Dec. 12 and 25, 1849.

Hunt's Merchants' Magazine, 22:125 and 126.

<sup>28</sup> State Bank of Ohio — Janney, p. 172.

<sup>29</sup> Banks and Banking in the U. S. — Baker, p. 35.

agency was closed.<sup>30</sup> May 20, 1857 a similar arrangement was made with Kenney, Espy, and Company, a Cincinnati banking house, for the special purpose of returning the notes of Kentucky, Indiana, and Virginia banks. The agency was to furnish New York exchange at  $\frac{3}{8}\%$  premium for the notes of the banks named, which were to be forwarded to it by the branches of the State Bank. It was agreed that the agency should not pay out the notes of these foreign banks. This arrangement lasted until May 19, 1858, when a final attempt was made and a more extensive agency established.<sup>31</sup>

**Agitation for an Ohio Valley Clearing House.** — Speculation had so controlled the rate of exchange between the East and the West that the feeling had become pretty widespread that the establishment in Cincinnati of some sort of clearing house for the banks of Ohio, Indiana, and Kentucky would result in substantial benefits to the sound banks and give additional protection to the business community. Governor Chase recommended it in his message in January 1858;<sup>32</sup> the Cincinnati Chamber of Commerce indorsed it in April;<sup>33</sup> and in June a convention of Ohio, Indiana, and Kentucky bankers met in Cincinnati and proposed a plan, which the branches of the State Bank of Ohio under took to put into operation. This movement was stopped, however, by the discovery of legal difficulty in the way of locating the agency of a foreign bank in Ohio.

**The Brokers' Assorting System.** — It was believed, however, that the Indiana banks and some of those in Kentucky would cooperate if the Ohio banks went ahead with the scheme. Cincinnati was then the monetary center of the West. There was an annual demand there for exchange, chiefly on eastern cities, amounting to 60 or 70 million dollars. Providing these exchanges had brought into existence an extensive broker's assorting system, which furnished exchange to the merchant often

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<sup>30</sup> State Bank of Ohio — Janney, p. 172.

<sup>31</sup> State Bank of Ohio — Janney, p. 172.  
Cincinnati Gazette, June 5, 1857.

<sup>32</sup> Daily Ohio Statesman, Jan. 5, 1858.

<sup>33</sup> Bankers' Magazine, June, 1858.



at exorbitant rates though sometimes he could hardly have procured it without the broker's help.

Although this system obtained its capital chiefly from the deposits of merchants and manufacturers, it was really antagonistic to their interests since it constantly sought the highest possible premium of exchange, that being the source of its profits. These high charges had even forced some of the larger mercantile houses into competition with the brokers for their own special supplies.<sup>34</sup> Hence the merchants as well as the bankers were anxious for the proposed agency.

**The Bank of the Ohio Valley.** — The plan seemed more likely to succeed than ever before not only from the general demand but also on account of the better means of communication throughout the country. In 1856 railroad building had increased to 3,642 miles mostly in the western states,<sup>35</sup> and Ohio in 1857 had 2,834 miles of railroad, which had been built at a cost of \$95,000,000.<sup>36</sup> Another favorable factor was the low rate of exchange which promised to continue. Accordingly with good prospects of success a bank somewhat on the plan of the Suffolk Bank of Boston was organized in Cincinnati under the free banking law of 1851, and a contract was made with the State Bank of Ohio by which its branches were to deposit with the new bank an amount equal to 4% of their authorized circulation, free of exchange interest, and the latter was to sell eastern exchange at a rate not to exceed  $\frac{1}{2}$ % premium.

This new redemption agency was known as the Bank of the Ohio Valley. It began business in September 1858 with a capital stock of \$51,000, of which \$34,000 was paid in. It soon after increased its capital stock to \$500,000, of which \$300,000 was to be offered in Cincinnati and \$150,000 in New York and other eastern cities. By March 1859 it already had a special deposit of \$306,000 from associate banks in Ohio, had sold \$3,300,000 eastern exchange, and had returned \$2,700,000 bank

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<sup>34</sup> Magazine of Western History, 2:168.

Bankers' Magazine, 12:943.

<sup>35</sup> History of American Currency — Sumner, p. 180.

<sup>36</sup> Report of Commissioner of Statistics, 1857, p. 540.

<sup>37</sup> Banking in All Nations, 1:443.

notes for redemption, besides having current deposits of \$440,000. Its managers felt confident that its exchange business would pay its expenses, and that its discount line would give good dividends to its stockholders.<sup>38</sup>

The Bank of the Ohio Valley continued to act as redeeming agency for the State Bank of Ohio until Nov. 20, 1861 at which time foreign notes, except those of the Bank of the State of Indiana, were no longer current in Ohio.<sup>39</sup> The Bank of the Ohio Valley was a very successful institution. Its success was due to good management and strict adherence to sound financial principles. It never charged exorbitant rates, yet at the close of this period its five years of operation showed regular dividends of 10% a year and an extra dividend of 5% declared Nov 2, 1863. Its financial statement for Nov. 3, 1863 showed a capital stock of \$500,000, undivided profits of \$150,000, circulation \$47,000, and deposits \$2,044,945, a total of means available for business of \$2,746,563, of which \$1,708,556 were interest paying investments.<sup>40</sup>

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<sup>38</sup> Bankers' Magazine, 13:746 (March, 1859).

<sup>39</sup> State Bank of Ohio — Janney, p. 172.

<sup>40</sup> Cincinnati Daily Gazette, Nov. 4, 1863.

See Appendix, p. 523.

A clearing house association was formed in Cleveland, Dec. 28, 1858, "to effect at one place, and in the most economical and safe manner, the daily exchange between the several associated banks and bankers, the maintenance of uniform rates for eastern exchange, and the regulation of what descriptions of funds shall be paid and received in the settlement of business." The subscribers numbered one branch bank, one independent bank, one free bank, and six private banks. — Banks & Bankers of Cleveland, in Magazine of Western History, 2:285.

## CHAPTER XIV.

### CONCLUSION.

Majority of Ohio Banks survive the Panic. — It is highly creditable to the management of the banks of Ohio organized under the general laws of 1845 and 1851 that they passed through the crisis of 1857, made extra difficult to many of them by the loss of their eastern balances through the failure of the Trust Company, without a general suspension of specie payments. Such general suspension was imminent at times, and some of the banks were actually in a state of legal and others in a condition of virtual suspension. To quote from Governor Chase's message of Jan. 4, 1858, Ohio's "banking institutions, with a very few temporary exceptions, have performed their entire duty of specie payments, without evasion and without delay."<sup>1</sup>

A list of suspended, depreciated, and discontinued banks in Ohio published in October 1857 contains but seven authorized banks, five independent, and two free banks.<sup>2</sup> Of these at least two had failed long before the panic occurred,<sup>3</sup> and two others had been among those reported in 1854 as not in active business. In fact most of the financial trouble in Ohio in 1857 had originated not in authorized banks of issue, but in the failures of private bankers and of the Trust Company.<sup>4</sup> The failure of the Ohio Life Insurance and Trust Company in 1857 removed the last representative of the old banks organized under special charters, with no security for their circulation except their general assets.

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<sup>1</sup> Ohio Exec. Doc., 1857, Part I, p. 347.

<sup>2</sup> Daily Ohio Statesman, Oct. 30, 1857.

<sup>3</sup> Of these two, the Canal Bank of Cleveland had failed in November, 1854, and the Seneca County Bank had failed March 1, 1857.— Ohio Laws, 57:126 and 61:152.

<sup>4</sup> The Ohio Life Ins. & Trust Co.'s power to issue notes had terminated Jan. 1, 1843.

**Many Ohio Banks become National Banks after 1863.** — Of the three classes of banks remaining in the state in 1858 all were organized under general laws. Of the free banks organized under the law of 1851, some are still in existence, as Ohio still has a modified form of that banking law. The branches of the State Bank and the independent banks, however, were organized under the law of 1845, which gave them existence only for 20 years. Consequently when the Civil War broke out and the National Bank Act was passed many of them took advantage of the opportunity and became National banks. Of the first ten National banks organized in 1863, six were in Ohio.<sup>5</sup> By December 31 of that year there were forty fully organized national banks in the state with a capital of \$5,448,200. The next year the number in Ohio increased to 82, with a capital of \$9,772,000; while in 1865 there were 134 with a capital of \$21,146,000.<sup>6</sup>

**End of Period of Note-Issue under General Ohio Laws.**

—In November 1861 there were still in operation in Ohio seven independent banks, twelve free banks, and thirty-six branches of the State Bank. By August 1863 two of the independent and two of the free banks had disappeared, leaving but fifty-one in the state with a capital of \$5,177,500 and a circulation of \$6,915,576. The notes of these banks had to compete with the new National bank notes and the greenbacks, or notes of the federal government. They held their own, however, until the federal tax of 10% upon the issues of state banks early in 1865 forced the retiring of the circulation of all state banks.

This together with the expiration of the charter of the State Bank closed another period in Ohio's banking history, that of state banks organized under general laws and issuing

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<sup>5</sup> Two in Cleveland, two in Dayton, one in Fremont, and one in Youngstown. — *Bankers' Magazine*, 18:84 (July, 1863).

<sup>6</sup> Seventh Annual Report Commissioner of Statistics of Ohio, p. 631. Knox, p. 685.

At the beginning of 1864 there were approximately 200 banks in Ohio with over \$12,000,000 capital. Half of these were private banks (27 in Hamilton County) with a capital of \$2,019,336. — Report of Commissioner of Statistics, Feb. 5, 1864. [The commissioner considered that the business of the banks was conducted with great prudence, and observed: "We find no fictitious banks and no spurious notes."]

notes secured by a safety fund or deposit of government bonds. Henceforth note-issue ceased to be a function of banks organized under state laws.

**Classes of Ohio Banks under General Laws.** — The banks organized under the general laws of 1845 and 1851 were attended by a high degree of success, and furnished a currency well adapted to the business wants of the people. Both of these laws were constructed with particular reference to the security of the bill holder; and both accomplished their purpose in this regard. A comparison of the provisions of these laws as to the three classes of banks, which they authorized, shows that some features were common to all three classes: such as those forbidding any bank directly or indirectly pledging, hypothecating, or exchanging any of its circulating notes to procure money to be paid on its capital stock, or to be used in its ordinary banking operations; and providing criminal punishment for any officer thereof who might embezzle or wilfully misapply any of the bank's moneys, funds, or credits.

The independent and free banks were also each prohibited from pledging, hypothecating, or exchanging any of their circulating notes for the purpose of purchasing stocks to be deposited with the treasurer or auditor of state; and they were alike in each having to deposit, as security for the ultimate redemption of their notes, state or United States stocks equal in amount to the notes they wished to issue. They differed, however, in that the independent banks had to pay in but 30% of their capital before they were allowed to begin business, while the free banks were required to pay in 60% of their capital before receiving a certificate to do business.

No special provision was made for the security of depositors or purchasers of bills of exchange in any one of the three classes, the legislature doubtless supposing that voluntary creditors could take care of themselves, and that the law should mainly look to the protection of the involuntary creditors of a bank, that is, the note holders. All were required to furnish quarterly reports of their condition, however, and all were subject to an-



nual examinations; the branches of the State Bank by the board of control, and the other two classes by special examiners appointed by the state officials.

**Division of Banks according to Security for Note Issue.**

—As to the security of note holders, the three classes of banks in the state naturally fall into two groups: those whose notes were secured by a deposit of state or federal bonds, namely, the independent and the free banks; and those with note issue secured by the safety fund plan, that is, the branches of the State Bank. Of these there was a general notion in the early 50's that the notes of the stock banks were more secure from loss than those of the branches of the State Bank. The independent banks had to pay in as much cash capital as the branch banks, and had besides to deposit with the state treasurer state or federal stocks equal in amount, at not less than their par value, to the notes issued; and the free banks had to pay in, to make up their capital, double the proportion in cash, that was required of the branches, and in addition had to deposit with the state auditor state or federal stocks equal in amount at not less than their par value, to their circulation. And if the stocks deposited by either class fell below their par value, the officers holding them were required to retain the interest accruing thereon, sufficient to keep the depreciated stocks equal to par.

**Objection to the Safety Fund Security.**—On the other hand the failure of any one branch of the State Bank would weaken all, and if all should go by the board there would be no ultimate security for the note holders to rely on. Besides, the safety fund plan was open to the objection that it created a fund sufficient to give credit to a bank which might be created purely for speculative purposes, and being owned by persons in other states after their notes were fairly in circulation the capital might be withdrawn, the bank declared insolvent, and the community defrauded. In the State Bank of Ohio this was taken care of by the board of bank commissioners who carefully considered the application of each association before granting a certificate.

Another objection to a safety fund sometimes offered is that, although the fund might be nominally large enough to cover the amount of notes of an insolvent bank, it is usually made up of bonds and mortgages, which are not immediately convertible and the delay in redeeming the circulation causes an immediate depreciation, and occasions a loss to such unfortunate holders as cannot wait for the ultimate redemption. This, it might be said, however, applies with equal force to the plan for securing the notes of the Ohio stock banks. While, as a matter of fact it does not apply to the State Bank at all, as will appear on further consideration.

**Comparison of State Bank of Ohio with that of Indiana.**

—The State Bank of Ohio is sometimes referred to as patterned after the State Bank of Indiana. This is not strictly true. The Indiana Bank was partly owned and officered by the state. The Ohio Bank was owned and operated entirely by private individuals. In both actual banking business was carried on entirely by the branches, the central board merely supervising, examining, and controlling. In the Indiana Bank, however, each branch was liable for the debts of every other branch. They were independent of each other as to assets, but were united as to liabilities. In the Ohio plan, however, the branches were responsible for each other only as to note issue, and here they were protected by the safety fund. This brings us to the resemblance of the Ohio plan to that of the New York Safety Fund Banks.

**Comparison of State Bank of Ohio with New York Safety Fund System.**—The State Bank of Ohio, while resembling the New York Safety Fund system in some respects, differed from it in certain important particulars. In the New York plan each bank contributed to the safety fund in proportion to its *capital*. Now as the circulation of the smaller banks was usually larger in proportion to their capital, this meant that the larger banks were unduly burdened to guarantee the notes of the weak ones. In the Ohio plan, this objection was obviated as each branch contributed to the safety fund in proportion to its *circulation*. Again in the original New York system the safety

fund was a guaranty for both notes and deposits of an insolvent bank; in the State Bank of Ohio the safety fund was used only as against the notes of the failing bank. This brings us again to the above mentioned argument as to the holders of small amounts of the circulation of a failing bank losing while awaiting the conversion of the safety fund assets before any ultimate redemption of the notes.

This was one of the defects in the New York safety fund system: depreciation of the assets composing the safety fund, and delay in ultimate redemption. In the State Bank of Ohio the safety fund was not, as in the New York plan, held as a fund for the protection of the noteholder, but for the benefit of the branches themselves. The safety fund, so to speak, by which the noteholder was protected consisted of the entire capital, assets, or means, of all the branches; and it was the duty of the manager, in case of the insolvency of any one branch, to make immediate provision for the payment of the notes of such, in coin, by requisition upon all the solvent branches.<sup>7</sup>

Thus when the Commercial Branch failed in 1855, the \$1,633,000 specie, and the \$1,446,000 eastern deposits, (to say nothing of the rest of the \$15,960,000 resources) of the branches were at once liable for the redemption of the notes of the insolvent branch. The safety fund was held solely as a fund from which the branches themselves were reimbursed for contributions in aid of a branch that had failed.

But this was not the only means of sustaining the credit of a failed branch's circulation. Each branch was required to receive the issues of such failing bank, in payment of all debts, at their par value. This prevented their depreciation, as they were current in any part of the state for this purpose alone. It was through the operation of these two influences that the principle of immediate availability, as distinguished from that of ultimate

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<sup>7</sup>The penalty upon the branch for failure to redeem its notes consisted in a summary winding up by the board of control.

security, was attained, whereby this system was distinguished from all others.<sup>8</sup>

**Comparison of State Bank with Stock Banks.** — In this respect the State Bank of Ohio was superior to the stock banks of the state, the latter depending upon the principle of ultimate security. The notes of the insolvent stock banks in Ohio were all redeemed, sooner or later, as the sale of the deposit stocks usually brought enough to redeem the notes of the failed bank, and sometimes more. Thus when the Canal Bank of Cleveland failed the sale of its deposited stocks brought in \$10,000 more than the amount of its outstanding notes, this \$10,000 then going to the depositors.<sup>9</sup> But this sale occurred in February 1855, three months after the failure. Thus some of the note holders may have lost money by the delay. Then, too, any unusual strain might have depreciated the value of the deposited stocks. Ohio 6% stocks went down to 95 in New York in November 1854 as a result of the failure of several Ohio stock banks that year.<sup>10</sup>

Another point of superiority of the State Bank was that under the guidance of the board of control the branches worked in harmony, while among the stock banks there was no concert of action, no unity of interest. As to general security of depositors there was not so much difference, the advantage being, if any—

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<sup>8</sup> During the period covered by the State Bank of Ohio, six of its branches got into difficulty. As early as Dec. 22, 1845, the executive committee of the board of control, learning that the Toledo and the Summit County Branches had illegal arrangements with certain private bankers in New York, placed them under close surveillance until Nov. 22, 1850, when the stock of the Summit County Branch was transferred to other parties. In 1854 the Akron Branch was found to be unsound and the Mechanics' and Traders' Branch at Cincinnati was reported to have suspended; both were wound up by the board of control. On May 23, 1855, the Commercial Branch of Toledo was taken under the care of the executive committee. Funds were provided to redeem its notes and the branch was closed. The notes of all these, however, as those of the Licking County Branch, which was closed in May, 1852, continued to pass at par and were redeemed as promptly as those of the most thoroughly solvent bank. — The State Bank of Ohio — J. J. Janney, p. 169.

<sup>9</sup> Bankers' Magazine, 8:659.

<sup>10</sup> Daily Enquirer (Cincinnati), Nov. 24, 1854.

thing however, on the side of the State Bank, especially if we consider the percentage of failures throughout the period. As to elasticity, the data is not very satisfactory but what there is favors the State Bank.<sup>11</sup>

In conclusion, then, it may be said that the State Bank of Ohio gave the very highest satisfaction, and as a system adapted to the needs of the people at the time, was probably one of the best in the country.

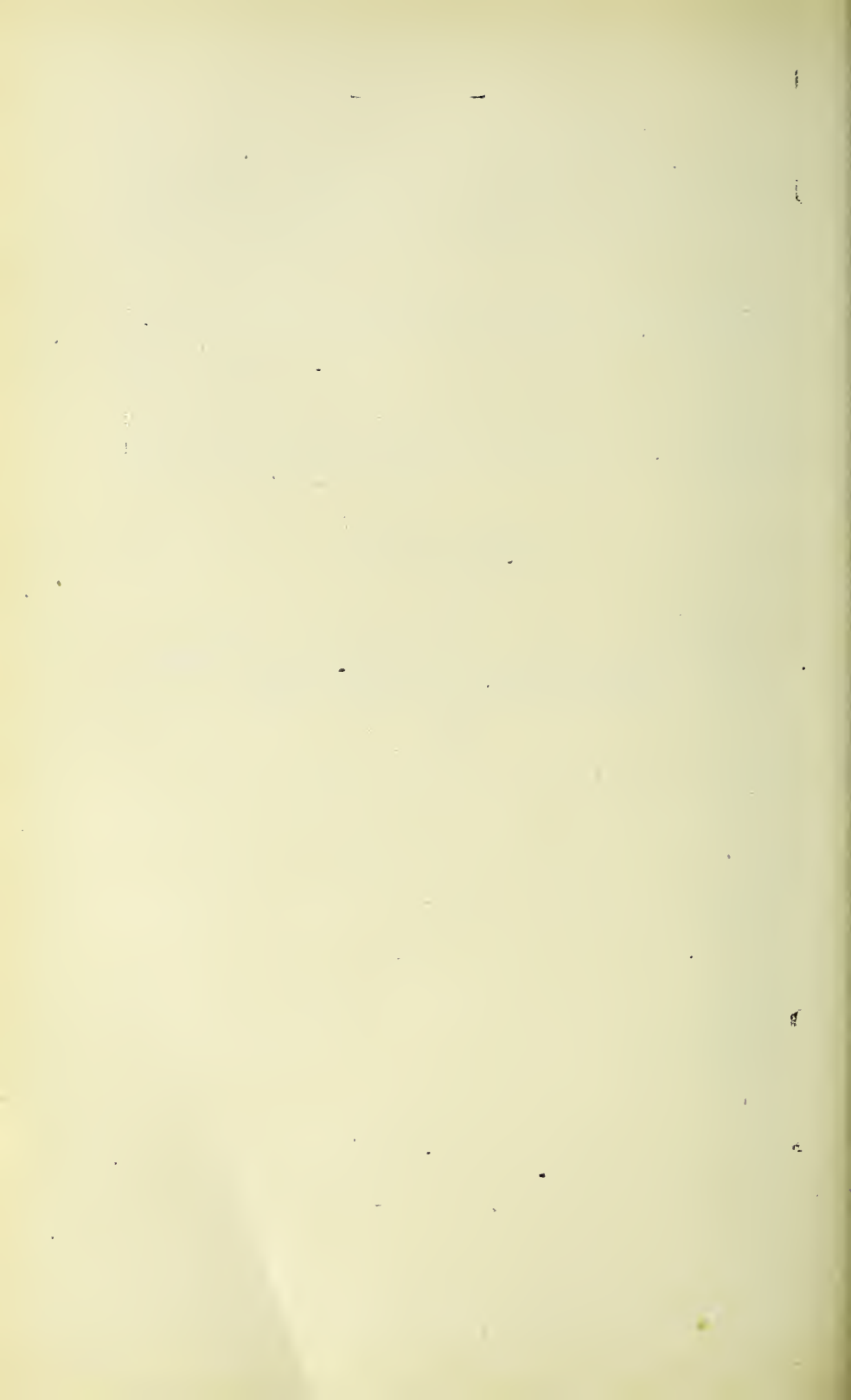
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<sup>11</sup> The ratio of circulation to capital for the branches of the State Bank constantly ranged considerably higher than that of the stock banks. — See diagram, Appendix, p. 526.



APPENDIX  
TO  
BANKING AND CURRENCY IN OHIO  
BEFORE THE CIVIL WAR.

(485)



# QUOTATIONS OF OHIO BANK NOTES

AT PHILADELPHIA 1814 TO 1837 AND AT NEW YORK, 1835 TO 1838,

also

# QUOTATIONS OF SPANISH DOLLARS

AT PHILADELPHIA 1814 TO 1831 AND AT NEW YORK 1832 TO 1838.<sup>1</sup>

Date.	Ohio Banks.		Spanish Dollars. <sup>2</sup>
	Old — Chartered.	Others — New and Unchartered.	
1814, Oct. 31..	.....	.....	7 to 9 p. <sup>3</sup>
Nov 7..	4 to 7½ d....	.....	6 to 7½ p.
Nov. 14..	4 to 5 d....	.....	10 to 12 p.
Dec. 5..	4 to 5 d....	.....	12 p.
1815, Jan. 2..	6 to 7 d....	.....	
Apr. 3..	3½ to 5 d....	.....	
June 5..	3½ to 4 d....	.....	11½ to 12 p.
July 3..	3 d....	.....	15 p.
Sept. 4..	5½ d....	.....	15 p.
Sept. 18..	.....	.....	17½ p.
Dec 4..	8 to 10 d....	.....	16 p.
1816, Jan. 1..	8 to 10 d....	.....	16 p.
Apr. 1..	.....	.....	15 to 16 p.
May 13..	.....	.....	16 p.
July 1..	.....	.....	18 to 18½ p.
Sept. 9..	.....	.....	10 p.
Oct. 21..	.....	.....	7 p.
Nov. 4..	.....	.....	7 to 8 p.
Dec. 2..	10 to 12 d....	.....	7 p.
1817, Jan. 6..	12 to 15 d....	.....	5 p.
Apr. 7..	6 d....	10 to 12 d....	
July 7..	5 to 10 d....	10 to 25 d....	1 p.
Oct. 6..	4 to 6 d....	New 8 d. Unchartered no sales .....	1 p.
Dec. 1..	4½ to 7 d....	New 8 d. Unchartered no sales .....	1 to 1½ d.
1818, Jan. 5..	4½ to 5 d....	No purchases .....	1 p.
Apr. 6..	4½ to 7 d....	No purchases .....	3 p.
July 6..	6 to 7 d....	No purchases .....	3½ p.
Oct. 5..	4½ to 10 d....	No purchases .....	5 p.
Dec. 7..	10 to 12½ d....	No purchases .....	4 p.
1819, Missing..			

<sup>1</sup> Compiled from Elliot's Funding System, pp. 1106 to 1152.

<sup>2</sup> The Spanish dollars were not all of the same weight. Those in circulation in 1829 were said by the director of the mint to be worth, on an average, 100 cents, 3 mills. (p. 1104).

<sup>3</sup> Quotations for Gold and Silver, 1814; Span. Gold and Silver, 1815; and Spanish Silver, 1816.

QUOTATION OF BANK NOTES AND SPANISH DOLLARS AT  
PHILADELPHIA — Continued.

Date.	Ohio Bank Notes.	Spanish Dollars.
1820, Jan. 3.....	15 to 25 d.....	$\frac{1}{2}$ p.
Apr. 3.....	14 to 25 d.....	par.
July 3.....	15 to 25 d.....	par.
Oct. 2.....	$12\frac{1}{2}$ to 25 d.....	par.
Dec. 4.....	$12\frac{1}{2}$ to 25 d.....	par.
1821, Jan. 1.....	5 to $12\frac{1}{2}$ d.....	par.
Apr. 2.....	5 to $12\frac{1}{2}$ d.....	par.
July 2.....	5 to 10 d.....	par.
Oct. 1.....	5 to 8 d.....	par.
Dec. 3.....	5 to 8 d.....	par.
1822, Jan. 7.....	5 to 8 d.....	1 p.
Apr. 1.....	8 d.....	2 p.
July 1.....	6 d.....	par.
Oct. 7.....	6 d.....	$\frac{1}{2}$ p.
Dec. 2.....	6 d.....	$\frac{1}{2}$ p.
1823, Jan. 6.....	6 d.....	par.
Apr. 7.....	6 d.....	$\frac{1}{4}$ p.
July 7.....	6 d.....	$\frac{1}{4}$ p.
Oct. 6.....	5 to 6 d.....	par.
Dec. 1.....	5 to 6 d.....	par.
1824, Jan. 5.....	5 to 6 d.....	par.
Apr. 5.....	5 to 6 d.....	$\frac{1}{4}$ p.
July 5.....	5 to 6 d.....	$\frac{1}{2}$ p.
Oct. 4.....	5 to 6 d.....	$\frac{1}{4}$ p.
Dec. 6.....	5 to 6 d.....	$\frac{1}{4}$ p.
1825, Jan. 1.....	5 to 6 d.....	
Apr. 4.....	5 to 6 d.....	May 25, 2 p.
July 4.....	5 to 8 d.....	1 p.
Oct. 1.....	5 to 8 d.....	$1\frac{1}{2}$ p.
Dec. 3.....	5 to 8 d.....	par.
1826, Jan. 7.....	5 to 8 d.....	par.
Apr. 1.....	5 d.....	$\frac{1}{4}$ p.
July 1.....	5 d.....	$\frac{1}{2}$ p.
Oct. 7.....	4 to 6 d.....	$\frac{1}{2}$ p.
Dec. 30.....	4 to 6 d.....	$\frac{1}{4}$ p.
1827, Jan. 6.....	4 d. <sup>a</sup> .....	par.
Apr. 7.....	4 d.....	1 p.
July 7.....	4 to 6 d.....	par to 1 p.
Oct. 6.....	4 to 6 d.....	par.
Dec. 1.....	4 to 6 d.....	$\frac{1}{2}$ p.

<sup>a</sup> Banks of Zanesville, New Lisbon, West Union, 50d. Miami Exporting Co., Cincinnati, 80d. Lebanon, 75d. Urbana, 80d. Canton, 20d. Cleveland, 75d. Dayton, 25d; all without variation to 20th May; afterwards no sale. Muskingum, 25d. throughout the year.

<sup>b</sup> Miami Exporting Co., Lebanon, Urbana, Zanesville Canal Co., Cleveland, New Lisbon, West Union and Canton, no sales. Muskingum, 25d. throughout year.

<sup>c</sup> Dayton Bank, 10d, in Jan. and 6d. rest of year. St. Clairsville, 6d. June-December.

QUOTATIONS OF BANK NOTES AND SPANISH DOLLARS AT  
PHILADELPHIA — Continued.

Date.	Ohio Bank Notes.	Spanish Dollars.
1828, Jan. 5.....	4 d. ....	$\frac{1}{2}$ p.
Apr. 5.....	4 d. ....	$\frac{1}{2}$ p.
July 5.....	$3\frac{1}{2}$ d. ....	$\frac{1}{2}$ p.
Oct. 4.....	$3\frac{1}{2}$ d. ....	$\frac{1}{2}$ p.
Dec. 6.....	4 d. ....	$\frac{1}{2}$ p.
1829, Jan. 3.....	$3\frac{1}{2}$ d. ....	par to $\frac{1}{2}$ p.
Apr. 4.....	3 d. ....	par to $\frac{1}{2}$ p.
July 2.....	$2\frac{1}{2}$ to 3 d. ....	par to $\frac{1}{2}$ p.
Oct. 3.....	$2\frac{1}{2}$ to 3 d. ....	par to $\frac{1}{2}$ p.
Dec. 5.....	$2\frac{1}{2}$ to 3 d. ....	par to $\frac{1}{2}$ p.
1830, Jan. 2.....	$2\frac{1}{2}$ to 3 d. ....	par to $\frac{1}{2}$ p.
Apr. 3.....	$2\frac{1}{2}$ d. ....	par to $\frac{1}{2}$ p.
July 3.....	$2\frac{1}{2}$ d. ....	par to $\frac{1}{2}$ p.
Oct. 2.....	$2\frac{1}{2}$ d. ....	par to $\frac{1}{2}$ p.
Dec. 3.....	$2\frac{1}{2}$ d. ....	par to $\frac{1}{2}$ p.
1831, Jan. 1.....	$1\frac{1}{2}$ d. ....	par.
Apr. 1.....	$1\frac{1}{2}$ d. ....	par.
July 1.....	$1\frac{1}{2}$ d. ....	par.
Oct. 1.....	.....	par to $\frac{1}{2}$ p.
Dec. 7.....	$1\frac{1}{2}$ to 3 d. ....	Dec. 2, $\frac{1}{2}$ to 1 p.
1832, Jan. 4.....	$1\frac{1}{2}$ to 3 d. ....	1 to $1\frac{1}{2}$ p.
Apr. 11.....	$1\frac{1}{2}$ to 3 d. ....	Apr. 4, $1\frac{1}{2}$ to 2 p.
July 4.....	$1\frac{1}{2}$ to 3 d. ....	$1\frac{1}{2}$ p.
Oct. 10.....	$1\frac{1}{2}$ to 3 d. ....	Oct. 3, 2 p.
Dec. 1.....	$1\frac{1}{2}$ to 3 d. ....	$1\frac{1}{2}$ to 2 p.
1833, Jan. 3.....	$1\frac{1}{2}$ to 3 d. ....	Jan. 2, $1\frac{1}{2}$ to 2 p.
Apr. 2.....	$1\frac{1}{2}$ to 3 d. ....	Apr. 3, $2\frac{1}{4}$ to $2\frac{1}{2}$ p.
July 3.....	$1\frac{1}{2}$ to 3 d. ....	$\frac{1}{2}$ to 1 p.
Oct. 1.....	$1\frac{1}{2}$ to 3 d. ....	Oct. 2, $2\frac{1}{2}$ to 3 p.
Dec. 17.....	$1\frac{1}{2}$ to 3 d. ....	Dec. 4, 2 p.
1834, Jan. 4.....	2 to 3 d. ....	Jan. 2, 1 to 2 p.
Apr. 5.....	2 to 4 d. ....	
July 5.....	2 to 4 d. ....	July 2, $\frac{1}{2}$ to 1 p.
Oct. 4.....	$2\frac{1}{2}$ to 4 d. ....	October 1, $1\frac{3}{4}$ to $2\frac{1}{4}$ p.
Dec. 6.....	$2\frac{1}{2}$ to 4 d. ....	Dec. 3, 1 to 2 p.

<sup>7</sup> Scioto, 5d. Farmers' Bank of Canton, 4 to 6d.

<sup>8</sup> Bank of Cincinnati, Hamilton, Mansfield, West Union, Xenia, New Salem, Cleveland, F. & M. of Chillicothe, F. & M. of Cincinnati, German Bank of Wooster, Granville, Lebanon and Miami, Miami Exp. Co., Muskingum, New Philadelphia, Owl Creek, Steubenville, Ohio State Bank, Cincinnati, Zanesville C. & M. Co.—Broken.

<sup>9</sup> Bank of Scioto, Dec. 7 (1831), 5 to 8d. Jan. 4 and April 11, 8d. July 4, Oct. 10, December 1, 10d.



QUOTATIONS OF BANK NOTES AND SPANISH DOLLARS AT  
PHILADELPHIA — Concluded.

Date.	Ohio Bank Notes.	Spanish Dollars.
1835, Jan. 17.....	2½ to 3 d.....	Jan. 7, 1 to 2 p.
Apr. 2.....	2½ to 3 d.....	April 1, 1 to 2 p.
July 4.....	2½ to 3 d.....	July 1, 2½ to 3½ p.
Oct. 3.....	2½ to 3 d.....	Oct. 7, 3 to 4 p.
Dec. 5.....	2½ to 3 d.....	Dec. 2, 4 to 5 p.
1836, Jan. 2.....	2 to 2½ d.....	2½ to 3 p.
May 14.....	2½ d.....	May 5, 3 to 4 p.
July 16.....	2½ to 3 d.....	July 2, 3 to 4 p.
Oct. 15.....	3 to 4 d.....	Oct. 1, 4 to 5 p.
Dec. 3.....	3 to 4 d.....	5 to 6 p.
1837, Jan. 31.....	3 to 4 d.....	Jan. 4, 4 to 5 p.
Apr. 1.....	3 to 4 d.....	2 to 4 p.
July 1.....	4 to 5 d.....	13 to 15 p.
Oct. 7.....	4½ to 5 d.....	Oct. 4, 6 to 7 p.
Dec. 9.....	4 d.....	Dec. 2, 7 to 8½ p.
1838, Jan. 3.....	.....	5 to 6 p.
Jan. 10.....	.....	5 to 6 p.
Jan. 20.....	.....	5 to 6 p.
Jan. 27.....	.....	5 to 6 p.

Date.	Ohio Bank Notes at New York.	Date.	Ohio Bank Notes at New York.
1835, Jan. 7...	1½ to 4 d.	July 1...	
Apr. 1...	1½ to 4 d.	Sept. 2...	4 to 8 d.
July 1...	1 to 3 d.	Nov. 1...	6 d.
Oct. 7...	1 to 3 d.	Dec. 2...	6 d.
Dec. 2...	1 to 3 d.	1838, Jan. 3...	6 d.
1836, Jan. 2...	1½ to 3 d.	<sup>10</sup> Jan. 7...	6 d.
Apr. 6...	1½ to 3 d.	Jan. 10...	6 d.
July 2...	1½ to 4 d.	Jan. 13...	6 d.
Oct. 1...	1½ to 5 d.	Jan. 17...	6 d.
Dec. 3...	1½ to 5 d.	Jan. 20...	6 d.
1837, Jan. 4...	4 to 5 d.	Jan. 24...	6 d.
Apr. 1...	4 to 5 d.	Jan. 27...	6 d.

<sup>10</sup> Bank of West Union, 10d.

TABLE SHOWING THE HIGHEST AND LOWEST PRICES OF OHIO BANK NOTES AND SPANISH DOLLARS AT PHILADELPHIA, IN EACH YEAR, FROM OCTOBER, 1814, TO DECEMBER, 1823.<sup>11</sup>

<i>Date.</i>	<i>Ohio Notes.</i>	<i>Spanish Dollars.</i>
1814 .....	7½ to 5 d.	.....
1815 .....	7 to 3@10 d.	8 to 10 p.
1816 .....	5 to 12 d.	18½ to 7 p.
1817 .....	15 to 4 d.	5 p. to par @ 1½ p.
1818 .....	4½ to 12½ d.	1 to 6 p.
1819 .....	.. to 15@30 d.	3 to 6 @ ½ p.
1820 .....	12½ to 25 d.	½ p. to par.
1821 .....	5 to 12½ d.	par.
1822 .....	5 to 8@6 d.	2 p. to par.
1823 .....	6 to 5 d.	par to ½ p.

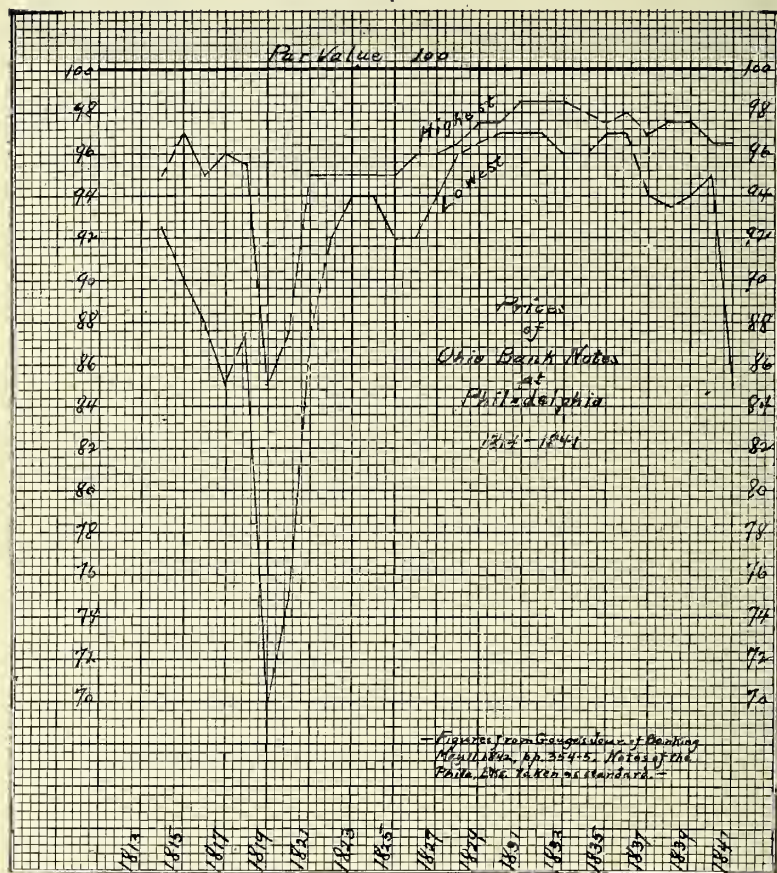
SAME FROM 1834 TO APRIL, 1838.

1834 .....	2 to 4 d.	par to 3 p.
1835 .....	2½ to 3 d.	.....
1836 .....	2 to 3 d.	1 to 4 p.
1837 .....	3 to 6 d.	1 to 13 p.
1838 .....	4 to 7 d.	4 to 7 p.

SAME AT NEW YORK FROM 1835 TO 1838.

1835 .....	1 to 3 d.	1 to 5 p.
1836 .....	1½ to 5 d.	2½ to 6 p.
1837 .....	4 to 10@6 d.	2 to 15 p.
1838 .....	6 to 10 d.	1 to 7 p.

<sup>11</sup> Compiled from Elliot's Funding System, pp. 1158, 1159.



# RECEIPTS FROM SALES OF PUBLIC LANDS OF THE UNITED STATES.

Prior to June 30, 1796 — \$1,201,725.68.

<i>Year.</i>	<i>Amount.</i>	<i>Year.</i>	<i>Amount.</i>
1796 .....	\$4,836 13	1819 .....	3,274,422 78
1797 .....	83,540 60	1820 .....	1,635,871 61
1798 .....	11,963 11	1821 .....	1,212,966 46
1799 .....	.....	1822 .....	1,803,581 54
1800 .....	443 75	1823 .....	916,523 10
1801 .....	167,726 06	1824 .....	984,418 15
1802 .....	188,628 92	1825 .....	1,216,090 56
1803 .....	165,675 69	1826 .....	1,393 785 09
1804 .....	487,526 79	1827 .....	1,495,845 26
1805 .....	540,193 80	1828 .....	1,018,308 75
1806 .....	765,245 73	1829 .....	1,517,175 13
1807 .....	466,163 27	1830 .....	2,329,356 14
1808 .....	647,939 06	1831 .....	3,210 815 48
1809 .....	442,252 33	1832 .....	2,623,381 03
1810 .....	696,548 82	1833 .....	3,967,682 55
1811 .....	1,040,237 53	1834 .....	4,857,600 69
1812 .....	710,427 78	1835 .....	14,757,600 75
1813 .....	835,655 14	1836 .....	24,877,179 86
1814 .....	1,135,971 09	1837 .....	6,776,236 52
1815 .....	1,287,959 28	1838 .....	3,730,945 66
1816 .....	1,717,985 03	1839 .....	7,361,576 40
1817 .....	1,991,226 06	1840 .....	3,411,818 63
1818 .....	2,606,564 77	1841 .....	1,365,627 42

—*The Public Domain* — Donaldson, p. 17.

## THE OHIO LIFE INSURANCE AND TRUST COMPANY.

## DISTRIBUTION OF REAL ESTATE LOANS IN OHIO IN JANUARY, 1836.

## AMOUNT LOANED ON BONDS AND MORTGAGES IN EACH COUNTY:

County.	Amount.	County.	Amount.
Adams .....	.....	Lorain .....	20,870
Allen .....	\$13,972	Logan .....	32,030
Athens .....	.....	Lawrence .....	.....
Ashtabula .....	10,200	Miami .....	35,610
Brown .....	2,112	Madison .....	13,450
Butler .....	22,450	Marion .....	43,485
Belmont .....	14,795	Morgan .....	9,500
Cuyahoga .....	139,790	Monroe .....	12,940
Coshocton .....	800	Montgomery .....	36,290
Carroll .....	20,722	Muskingum .....	16,309
Columbiana .....	20,725	Medina .....	3,500
Clinton .....	7,150	Mercer .....	12,055
Clermont .....	23,750	Meigs .....	.....
Clark .....	63,680	Pike .....	.....
Champaign .....	27,875	Pickaway .....	37,450
Crawford .....	16,100	Paulding .....	2,800
Delaware .....	15,200	Putnam .....	300
Darke .....	26,590	Preble .....	28,000
Fairfield .....	14,290	Portage .....	36,640
Franklin .....	88,975	Perry .....	650
Fayette .....	2,000	Ross .....	16,000
Geauga .....	500	Richland .....	27,325
Gallia .....	10,715	Sandusky .....	6,230
Greene .....	21,749	Shelby .....	16,810
Guernsey .....	4,350	Scioto .....	3,050
Hocking .....	1,200	Seneca .....	45,322
Huron .....	17,350	Stark .....	40,625
Hamilton .....	499,827	Trumbull .....	700
Hardin .....	4,060	Tuscarawas .....	23,690
Harrison .....	37,810	Union .....	10,600
Highland .....	.....	Van Wert .....	400
Holmes .....	14,700	Wayne .....	21,900
Hancock .....	1,000	Williams .....	5,500
Henry .....	1,200	Wood .....	1,000
Jackson .....	.....	Warren .....	55,800
Jefferson .....	22,582	Washington .....	11,400
Knox .....	46,775		
Licking .....	3,600	Total .....	\$1,858,099

To secure repayment of these loans, real estate was pledged of the estimated value of \$4,338,117. — *Ohio Monitor*. (Columbus), Jan. 18, 1836.



DIGEST OF THE ACT TO INCORPORATE THE STATE BANK  
OF OHIO AND OTHER BANKING COMPANIES.

(Passed Feb. 24, 1845.)\*

1. Occupies 30 pages.
2. Five persons or more may form company.
3. Aggregate capital stock of all not to exceed \$6,150,000.
4. State divided into 12 districts — names counties in each.
5. Number in counties limited: Hamilton County 4, Cuyahoga 6, Franklin 3, Ross 2, Muskingum 2, Jefferson 2, Summit 3, Lucas 2, Miami 2, Montgomery 2, each other 1.
6. Capital stock may be increased after end of two years.
7. Provides for Board of Bank Commissioners for 1 year, after which Auditor, Treasurer and Secretary of State shall be the commissioners.
8. Persons forming banking company must make certificate specifying name of company, amount of stock, number of shares held by each member of company, time of organization.
9. Provides for the branches of state bank and also for independent banks.
10. Capital stock of an independent bank must be at least \$50,000 and of branch of state bank \$100,000, neither to exceed \$500,000 — shares \$100.
11. At least 30% of capital stock to be paid in gold or silver coin, or equivalent.

IN RELATION TO STATE BANK.

12. When seven companies have formed, shall appoint members of the Board of Control to meet in Columbus.
13. Board of Control to furnish notes for circulation, prescribe rules for settlement of balances between branches, visit and examine branches. Their compensation and expense of printing notes to be paid by branches, the latter in ratio of notes of circulation received by each.
14. Notes issued by any branch, payable there in gold and silver coin.
15. Proportion of notes in circulation to capital stock:
  - On 1st \$100,000 capital not over twice that amount notes.
  - On 2nd \$100,000 capital not over  $1\frac{1}{2}$  that amount notes.
  - On 3rd \$100,000 capital not over  $1\frac{1}{4}$  that amount notes.
  - On 4th \$100,000 capital not over once that amount notes.
  - On any amount over \$400,000 capital not over  $\frac{3}{4}$  that amount notes.

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\*Laws of Ohio, Vol. 43, p. 24.

## ACT OF FEBRUARY 24, 1845 — Continued.

16. Each branch to pay over to Board of Control 10% on amount of notes received for circulation—the "Safety Fund" to be invested in stock of state, or U. S., or first mortgage real estate bonds of twice value of amount secured, branches to receive interest on same.
17. Stockholders collectively of any branch shall not be liable as debtors or securities to such branch to over  $\frac{1}{3}$  the capital stock paid in and remaining. Nor directors collectively to have over  $\frac{1}{4}$  capital stock actually paid in, standing in their names.
18. Branch refusing to redeem notes shall be insolvent and Board of Control shall appoint a receiver.
19. Each solvent bank shall contribute for redemption of notes of failing branch, to be repaid from sale of stocks in safety fund.

## IN RELATION TO INDEPENDENT BANKS.

20. These to deposit with Treasurer of State, State or U. S. stock equal in amount to capital stock—Treasurer to issue them notes for circulation not exceeding amount of stock deposited; expenses of same to be paid out of Treasury to give new notes for mutilated ones and burn latter. Banks to receive interest on stock deposited except which such notes go below par for four consecutive weeks, or bank fails to redeem its notes.
21. If independent bank fails to redeem notes, Treasurer to sell stock deposited and from proceeds pay, in ratable proportion, the circulating notes such bank has at Treasury.
22. No dividends to be made on shares while any debts are unpaid.
23. Stockholders collectively of any independent bank shall not be liable to the bank to an amount over  $\frac{3}{8}$  capital paid in. Directors not over amount specified by by-laws of company.
24. Duty of Auditor, Treasurer and Secretary of State annually to appoint person in vicinity of each independent bank to examine same.

## GENERAL PROVISIONS.

25. No shareholder of any bank to receive dividends or profits while he is in debt to the county, but his dividend or profits to be retained and applied to payment of such debt.

ACT OF FEBRUARY 24, 1845 — Continued.

26. No banking company to receive as security a lien on any part of its capital stock. Same security to be demanded of stockholders as of other persons. Bank to make no purchase of its own or the capital stock of any other incorporated company unless necessary to prevent loss on debt previously contracted in good faith. No stock so purchased to be held over six months if it can be sold for what stock cost, at par.
27. Stockholders entitled to one vote for each share—not less than five nor more than nine directors.
28. Incorporations all with succession till May 1, 1866, and thereafter till affairs closed.
29. Notes issued may be \$1, \$2, \$3, \$5, \$10, \$20, \$50 and \$100 only. Of these issued by any bank not over 10% shall be \$1 notes; 5% \$2; 10% \$3; 20% all denominations under \$5; 50% all denominations under \$10.
30. Nothing to be circulated as money except notes above described. Each independent company to redeem notes of all other independent companies at par; same for State bank branches.
31. Each bank keep on hand in gold or silver or equivalent 30% of amount outstanding circulation.
32. Branch banks not to be indebted over two-thirds of its actual capital stock. Independent banks not over whole amount capital stock, except on account:
  1. Its notes of circulation.
  2. Moneys deposited with or collected by such company.
  3. Bills exchange drawn against deposits to its credit.
  4. Liabilities to its stockholders on account money paid in or capital stock and dividends thereon.
33. Loans to stockholders not to exceed six months. Dividends always to be on net profits.
34. Semi-annual statements to Auditor must show:
  1. Capital stock paid in and remaining.
  2. Circulation. Amount of each denomination of note.
  3. Greatest amount in circulation at any time since previous statement.
  4. Amount of balances and debts due State bank, other banks of Ohio, banks of other states.
  5. Deposits.
  6. Amount of debts and liabilities—greatest amount at any time since previous statement.
  7. Amount of dividends declared.

## ACT OF FEBRUARY 24, 1845 — Continued.

8. Gold and silver coin and bullion belonging to bank.
9. Amount subject to be drawn in gold and silver on deposit in New York, Philadelphia, Boston and Baltimore.
10. Circulating notes on hand of State bank, other Ohio banks, banks of other states.
11. Balances due from each of ten excluding nine.
12. Loans and discounts. Specify amount considered bad, doubtful, in suit or judgment.
13. Real and personal property held for convenience of company.
14. Real and personal property received on debts due.
15. Undivided profits.
16. Liabilities to company by directors.
17. Liabilities to company by stockholders.
35. Dividend to be declared on first Monday of May and November. Then banking company to set off to the state 6% on profits in lieu of all taxes.
36. Six per cent. interest on loans and discounts by Rowlett's tables. Excess cause forfeiture of debt on demand.
37. Total liabilities of any person or company to a bank limited.
38. Banks prohibited to circulate notes at par, notes of banks of other states of less denomination than \$5, of banks not redeeming in gold and silver.
39. Certain old banks authorized to recommence banking if they comply with this act.
40. Any branch of State Bank may close business with consent of Board of Control.
41. Repeals Act of March 7, 1842, and February 21, 1843. Notes of less than \$5 are forbidden other banks.

DIGEST OF THE ACT TO AUTHORIZE FREE BANKING IN  
OHIO.

(Passed March 21, 1851.)\*

1. Any number of persons not less than three may engage in business of banking under this act.
2. Certificate to specify name and place of business of company, amount of capital stock and number of shares, name and residence and number of shares held by each member, time company formed, to be deposited with Secretary of State.
3. Capital stock (exclusive of securities deposited with Auditor for redemption of circulating notes) shall be at least \$25,000 and not over \$500,000.
4. Sixty per cent. of stock to be paid in before company begins business.
5. Auditor of State to furnish engraved notes to bank for circulation upon deposit of Ohio or U. S. stock equal in amount, but Auditor not to take stock above par or current market value nor producing less than 5% interest. Auditor shall not furnish notes more than three times amount of actual capital. Bank to pay expenses of issue.
6. Banks have corporate power till 1872 and thereafter till act repealed.
7. Capital stock in shares \$50; deemed personal property and assignable on books of company. Each bank shall have lien on stock of its debtors and no stock of debtor transferred without consent of majority of directors.
8. No lien to be taken on capital stock as security for loan, but same security in kind and amount required of stockholders as of others. No company to hold its own capital stock or that of other corporations unless purchase necessary to prevent loss on debt previously contracted in good faith; and then not held longer than six months if it can be sold at what it cost at par.
9. In elections one share entitled owner to one vote. Proxies allowed, but no officer, clerk, teller, or bookkeeper may act as proxy.
10. Not less than three nor more than five directors. Directors must, during whole term, be resident of Ohio. Three-quarters of the directors must have resided in the State two years previous to election. Directors collectively must own 1/10 of the capital stock and hold office one year.
11. Notes may be \$1, \$2, \$3, \$5, \$10, \$20, \$50 and \$100 only. Proportion fixed same as law of 1845. After 1860 Legislature may prohibit notes less than 5.

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\* Laws of Ohio, Vol. 49, pp. 41-56.



## DIGEST OF FREE BANKING LAW — Continued.

12. All banks under this law to receive notes of each other at par.
13. Thirty per cent. of amount circulated to be kept on hand in coin or equivalent; one-half of this in coin. Actual deposits in sound banks of New York, Boston, Philadelphia or Baltimore deemed equivalent to coin.
14. Limits to debts of company not over amount of actual capital stock, except circulation, deposits, drafts on deposits to credit of the company, liabilities to stockholders for money paid on capital stock and dividends thereon.
15. Notes not to be exchanged for stock, nor capital stock for certificates of stock to be deposited with Auditor for redemption of notes.
16. Capital stock not to be withdrawn in form of dividends or loans to stockholders for more than six months. No dividend greater than amount of net profits.
17. Directors on first Monday in May and November to declare a dividend and file statement with Auditor of State (as in law of 1845).
18. Interest rate 6% by Rowlett's tables; usury forfeits debt.
19. Liabilities to any other company not to exceed one-third its circulation.
20. Uncurrent notes not to be paid out.
21. Violation law forfeits privileges.
22. Officers guilty imprisonment in Pen. at hard labor 5 to 20 years.
23. Mutilated notes to be exchanged and burnt.
24. If bank fail redeem notes—holder may have protested and notify Auditor after which unlawful for bank to do any business except receive and safely keep moneys belonging to it, and deliver special deposits—Auditor to sell stock deposited and redeem notes outstanding—Individual liability of stockholders in proportion to stock when bank fails to redeem.
25. Where bank owned by less than 6 stockholders they individually liable for all debts and liabilities of bank.
26. No dividends to be made when capital stock is diminished.
27. Stockholders collectively shall not be liable to bank for over two-fifths capital stock.
28. Damages for refusal to redeem notes 15% per annum from time of refusal till resumption.
29. List of shareholders & amt stock to be filed with county recorder Jan. & July each year—also with Aud. State—another at bank.
30. Company not to begin business till deposit with Auditor equals 60% capital.

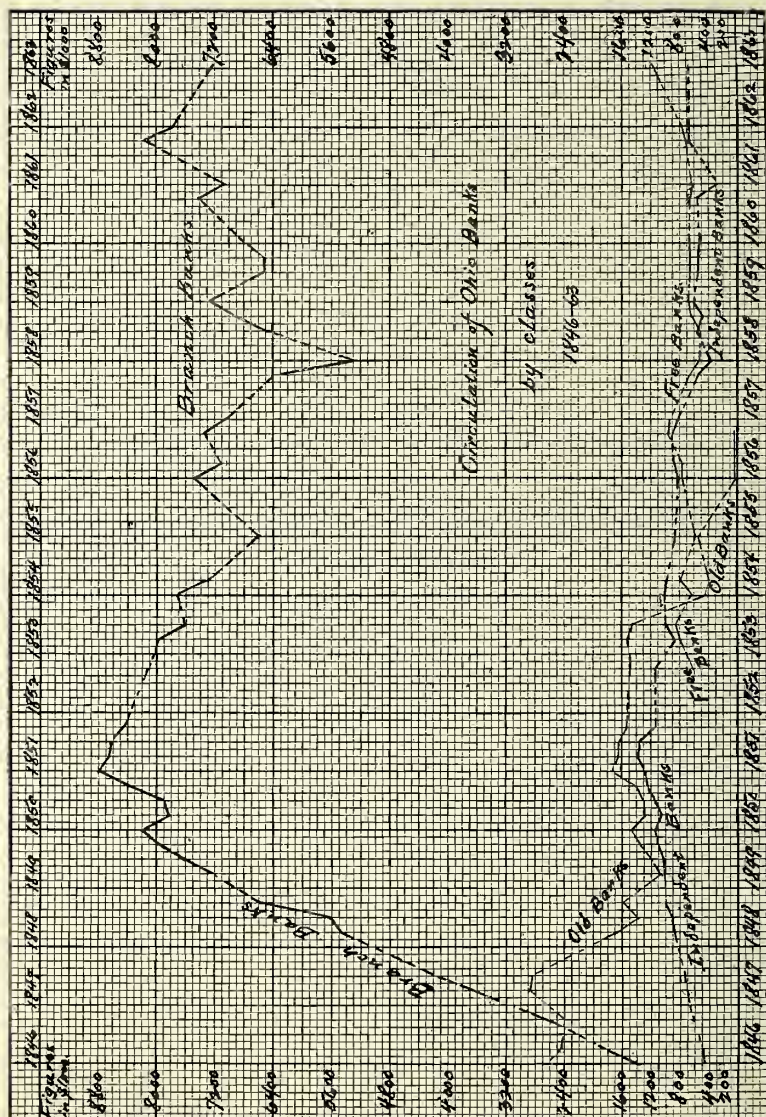
**OHIO BANK STATISTICS. 1846-1863.**

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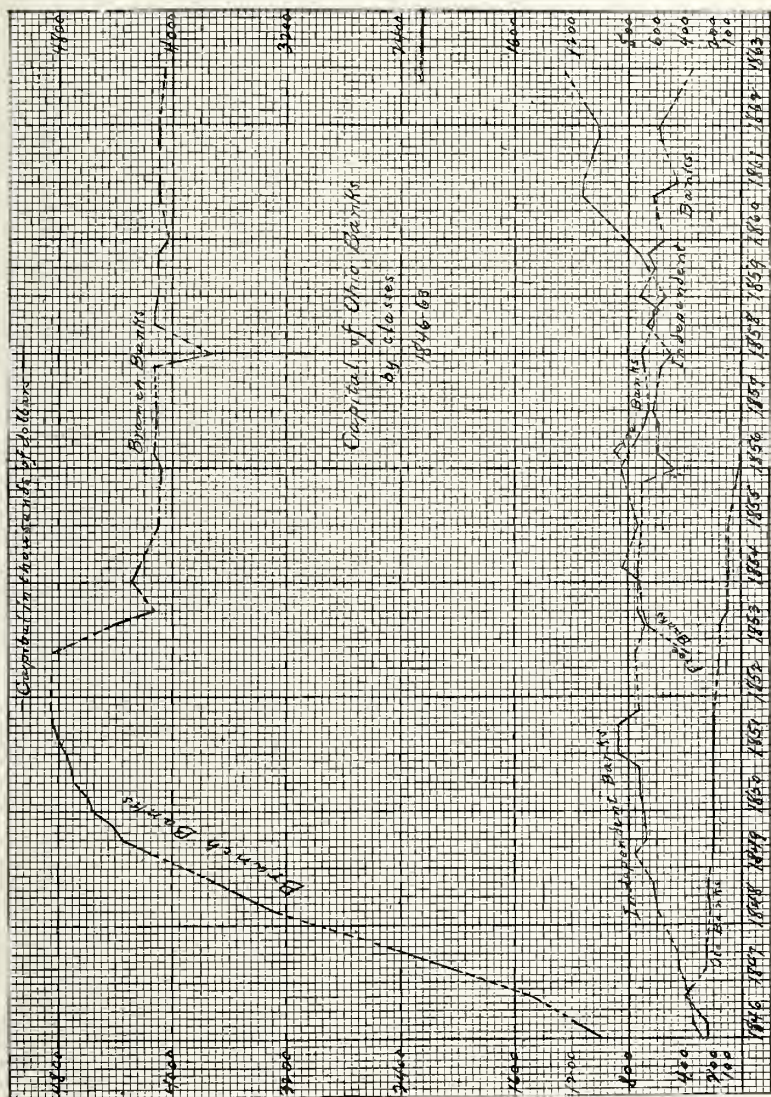
**PRINCIPAL RESOURCES AND LIABILITIES OF BANKS  
BY CLASSES.**

(DIAGRAMS AND DETAILS.)

(501)







## OHIO BANK STATISTICS. 1846-1863.

May 1, 1846.<sup>12</sup>

RESOURCES:	Independent Branches of		
	Banks.	State Bank.	Old Banks.
Number of banks.....	7	16	8
Notes and bills discounted.....	\$968,896	\$2,423,779	\$4,639,219
Specie on hand.....	159,669	618,049	795,552
Notes of other banks.....	146,474	374,577	466,203
Due from banks.....	56,484	107,366	435,676
Eastern deposits.....	96,723	357,280	462,023
Bonds deposited with State.....	565,118	207,588	.....
Other resources .....	134,259	16,694	937,323
Total resources .....	\$2,127,623	\$4,105,333	\$7,645,996

## LIABILITIES:

Circulation .....	\$499,100	\$1,822,435	\$2,463,760
Capital stock paid in.....	328,720	1,173,450	2,565,376
Due to banks.....	79,488	89,884	807,544
Individual deposits .....	644,521	946,563	972,852
Contingent fund .....	12,992	26,234	256,687
Bonds with State Treasurer.....	494,170	.....	.....
State taxes paid for 6 mo.....	1,654	3,773	7,374
Other liabilities .....	66,978	42,994	572,403
Total liabilities .....	\$2,127,623	\$4,105,333	\$7,645,996

May 5, 1847.<sup>13</sup>

RESOURCES:	Independent Branches of		
	Banks.	State Bank.	Old Banks.
Number of banks.....	9	22	8
Loans .....	\$1,187,713	\$4,812,772	\$4,936,175
Specie .....	201,035	1,080,467	745,047
Bank notes .....	123,226	540,302	418,033
Bank balances .....	88,985	170,507	260,376
Eastern deposits .....	251,488	487,345	513,332
State bonds .....	783,920	.....	.....
Safety fund deposited with board of control.....	.....	387,349	.....
Other resources .....	164,310	58,862	935,951
Total resources .....	\$2,800,679	\$7,537,597	\$7,908,926

## LIABILITIES: (Fractions omitted.)

Capital .....	\$440,300	\$2,070,700	\$2,560,700
Circulation .....	707,700	3,678,900	2,894,400
Bank balances .....	145,300	116,400	790,100
Deposits .....	754,600	1,274,900	1,327,300
Bonds with Treasurer.....	729,900	.....	.....
State fund at credit Board of Control.....	.....	76,000	.....
State tax 6 months.....	1,900	7,700	8,000
Contingent fund .....	23,700	30,900	214,300
Other liabilities .....	73,000	280,600	120,800
Total liabilities .....	\$2,800,679	\$7,537,500	\$7,908,900

<sup>12</sup> Banker's Magazine, Vol. I, p. 72.<sup>13</sup> Bankers' Magazine, Vol. II, p. 129.



OHIO BANK STATISTICS. 1846-1863 — Continued.

RESOURCES: (Aug. 1848.) <sup>14</sup>	Independent Branches of		
	Banks.	State Bank.	Old Banks.
Number of banks.....	11	37	7
Bills discounted .....	\$1,616,258	\$7,007,743	\$3,476,186
Specie .....	279,951	1,994,937	457,449
Bank notes .....	193,507	659,309	415,526
Bank balances .....	157,607	442,913	188,639
Eastern deposits .....	304,625	709,911	535,441
State bonds .....	1,063,894	653,063	.....
Real estate .....	20,097	88,656	160,654
Total resources .....	\$3,720,077	\$11,680,098	\$5,740,278

LIABILITIES:			
Capital stock .....	\$613,015	\$3,499,814	\$2,311,226
Circulation .....	900,202	5,633,322	1,397,842
Due to banks.....	102,283	259,849	287,074
Deposits .....	961,118	1,864,953	1,373,357
Safety fund .....	967,920	69,757	.....
Surplus fund .....	65,167	95,252	242,988
Discounts .....	52,889	168,906	12,200
Total liabilities .....	\$3,720,077	\$11,680,098	\$5,740,278

August 1849. <sup>15</sup>	Independent Branches of		
	Banks.	State Bank.	Old Banks.
Number of banks.....	11	40	5
Notes and bills discounted.....	\$1,883,991	\$9,168,025	\$3,391,827
Specie .....	300,940	2,496,950	412,600
Notes of other banks.....	236,025	930,870	644,172
Bank balances .....	198,860	420,545	180,280
Eastern deposits .....	261,856	942,246	303,100
Cash items .....	35,272	48,646	69,606
Bonds deposited .....	1,154,456	821,044	.....
Real estate .....	50,610	131,888	125,356
Miscellaneous .....	104,726	156,434	280,067
Total resources .....	\$4,226,736	\$15,116,678	\$5,406,410

LIABILITIES.			
Capital paid in.....	\$670,650	\$4,247,311	\$2,011,226
Circulation .....	1,036,156	7,624,306	1,203,217
Safety fund .....	1,074,817	68,202	.....
Bank balances .....	158,601	312,574	820,116
Deposits .....	1,054,070	2,228,241	1,087,324
Surplus fund .....	115,230	183,344	22,302
Time drafts .....	23,650	147,862	10,840
Profits .....	44,240	195,660	14,604
Dividends unpaid .....	8,610	5,972	22,229
Miscellaneous .....	40,712	3,106	4,552
Total liabilities .....	\$4,226,736	\$15,116,678	\$5,406,410

<sup>14</sup> Ibid., Vol. III, p. 220.

<sup>15</sup> Bank. Mag., Vol. IV, p. 354.

## OHIO BANK STATISTICS. 1846-1863—Continued.

RESOURCES: <sup>16</sup> (May 1850.)	<i>Independent Branches of</i>		
	<i>Banks.</i>	<i>State Bank.</i>	<i>Old Banks.</i>
Number of banks.....	11	41	5
Loans .....	\$2,139,588	\$10,546,088	\$3,643,626
Specie on hand.....	311,205	2,116,732	317,442
Notes of other banks.....	225,890	619,842	411,052
Bank balances .....	194,573	521,312	146,391
Eastern deposits .....	281,052	836,027	262,635
Cash items .....	1,172	34,961	8,094
State bonds .....	1,227,460	880,568	.....
Real estate .....	65,412	204,119	153,433
Miscellaneous .....	61,588	152,561	317,354
Total resources .....	\$4,508,030	\$15,912,210	\$5,260,027

## LIABILITIES:

Capital paid in.....	\$711,860	\$4,601,256	\$2,011,226
Circulation .....	1,078,002	7,829,052	1,277,408
Safety fund .....	1,155,570	49,500	.....
Bank balances .....	104,943	408,282	572,403
Individual deposits .....	1,138,617	2,361,998	950,976
Surplus fund .....	92,033	289,086	288,746
Bills payable .....	118,998	163,958	88,488
Discounts, interest, etc.....	8,940	3,784	45,313
State tax 6 months.....	3,276	21,340	1,404
Dividends unpaid .....	50,398	149,915	21,432
Miscellaneous .....	45,393	34,038	2,626

May 1851.<sup>17</sup>

RESOURCES:	<i>Independent Branches of</i>		<i>Old</i>	<i>Free</i>
	<i>Banks.</i>	<i>State Bank.</i>	<i>Banks.</i>	<i>Banks.</i>
Number of banks.....	12	41	5	
Loans and discounts.....	\$2,710,724	\$11,994,120	\$4,449,522	
Specie on hand.....	321,558	2,051,531	425,736	
Bank notes .....	304,800	696,252	255,043	
Bank balances .....	212,810	551,075	204,074	
Eastern deposits .....	325,700	1,147,043	336,926	
State bonds .....	1,460,514	915,696	.....	
Cash items .....	1,486	14,125	21,000	
Real estate .....	97,728	197,317	148,752	
Miscellaneous .....	75,678	184,956	203,863	
Total resources .....	\$5,510,400	\$17,752,115	\$6,044,916	

## LIABILITIES:

Capital paid in.....	\$864,580	\$4,802,620	\$1,961,226	
Circulation .....	1,391,457	8,660,444	1,636,874	
Safety fund stock.....	1,215,612	62,194	.....	
Bank balances .....	222,092	396,318	1,063,984	
Deposits .....	1,516,170	3,133,541	955,975	
Surplus fund .....	39,141	282,330	299,107	
Time drafts .....	181,488	168,256	33,580	
Discounts, etc. ....	22,793	11,070	55,500	
Dividends unpaid .....	51,204	175,960	2,164	
Miscellaneous .....	5,862	59,382	36,506	
Total liabilities .....	\$5,510,400	\$17,752,115	\$6,044,916	

<sup>16</sup> Bank. Mag., Vol. V, p. 142.<sup>17</sup> Bank. Mag., Vol. VI, p. 236.

OHIO BANK STATISTICS. 1846-1863 — Continued.

RESOURCES: (Nov. 1852). <sup>18</sup>	Independent Banks.	Branches of State Bank.	Old Banks.	Free Banks.
Number of banks.....	11	40	5	12
Loans and discounts.....	\$2,202,500	\$10,346,814	\$3,169,038	\$1,068,898
Specie .....	269,478	1,854,316	384,060	123,465
Bank notes .....	304,210	817,110	770,711	180,528
Due from banks.....	120,404	636,495	121,391	166,034
Eastern deposits .....	375,253	2,035,765	660,460	215,938
Checks, cash items.....	22,054	67,817	.....	6,252
State bonds .....	1,195,930	903,524	.....	703,984
Real estate, etc.....	105,115	171,688	136,390	19,376
Miscellaneous .....	197,220	325,084	316,010	12,920
Total resources .....	\$4,792,164	\$17,158,614	\$5,558,061	\$2,497,400

LIABILITIES:

Capital .....	\$749,180	\$4,456,675	\$1,547,526	\$361,730
Circulation .....	1,144,542	8,120,828	1,488,470	619,370
Safety fund stock.....	1,148,410	50,038	.....	414,490
Bank balances .....	164,815	354,961	913,438	90,896
Deposits .....	1,302,027	3,543,650	1,213,690	912,676
Surplus fund .....	55,412	297,096	323,770	8,467
Bills payable .....	85,971	151,418	12,046	22,205
Discounts .....	39,396	280	32,836	14,473
Dividends unpaid .....	29,271	140,928	3,676	23,092
Other liabilities .....	73,140	42,740	22,608	.....
Total liabilities .....	\$4,792,164	\$17,158,614	\$5,558,061	\$2,497,400

August 1853.<sup>19</sup>

RESOURCES:	Independent Banks.	Branches of State Bank.	Old Banks.	Free Banks.
Number of banks.....	11	39	5	13
Loans .....	\$2,276,342	\$10,135,691	\$1,737,890	\$1,236,018
Specie .....	249,792	1,682,872	339,913	171,625
Bank notes .....	221,137	769,356	109,786	202,771
Due from banks.....	153,148	690,248	122,067	398,426
Eastern deposits .....	319,975	2,096,326	713,452	383,098
Cash items .....	36,378	75,717	.....	44,888
State bonds .....	1,088,143	823,127	.....	922,790
Real estate .....	120,528	143,545	93,343	26,454
Miscellaneous .....	251,320	282,540	225,844	11,543
Total resources .....	\$4,716,765	\$16,699,424	\$3,342,296	\$3,397,613

LIABILITIES:

Capital .....	\$719,330	\$4,141,175	\$936,300	\$695,440
Circulation .....	1,023,704	7,642,276	1,474,339	849,602
Safety fund .....	1,165,783	49,387	.....	268,820
Bank balances .....	182,320	438,864	104,053	148,164
Deposits .....	1,340,062	3,720,765	510,630	1,333,213
Contingent fund .....	66,510	337,443	287,352	17,028
Time drafts .....	122,090	96,903	8,452	43,600
Discounts .....	659,926	210,256	9,070	41,033
Dividends unpaid .....	911	4,523	1,964	663
Miscellaneous .....	30,218	57,833	10,135	.....
Total liabilities .....	\$4,716,765	\$16,699,424	\$3,342,296	\$3,397,613

<sup>18</sup> Bank. Mag., Vol. VII, p. 508.

<sup>19</sup> Bank. Mag., Vol. 8, p. 406.

## OHIO BANK STATISTICS. 1846-1863 — Continued.

November 1855. <sup>20</sup>	Independent Banks.	Branches of State Bank.	Old Banks.	Free Banks.
RESOURCES:	11	37	1	13
Number of banks.....				
Loans .....	\$1,701,044	\$10,085,352	\$1,785,453	\$1,293,191
Specie .....	160,078	1,633,976	26,471	140,431
Notes of other banks.....	216,165	534,603	291,854	172,847
Due from other banks.....	82,374	649,199	143,617	80,446
Eastern deposits .....	290,514	1,446,057	.....	225,543
Checks and other cash items.....	16,578	38,645	8,354	8,451
Bonds of U. S. and State.....	892,135	798,910	.....	808,412
Real estate and personal property.....	36,293	276,747	23,002	48,176
Other resources .....	101,017	488,131	363,990	62,519
Total resources .....	\$3,496,197	\$15,960,619	\$2,642,742	\$2,840,017

## LIABILITIES:

Capital stock .....	\$537,500	\$4,094,500	\$223,000	\$837,250
Circulation .....	874,167	7,520,481	3,355	756,092
Safety fund stock.....	728,187	55,575	.....	231,000
Due to banks and bankers.....	111,401	216,376	770,701	50,746
Deposits .....	1,012,505	2,958,934	1,601,884	878,271
Undivided profits .....	82,744	730,040	.....	8,902
Bills payable, time drafts.....	14,292	86,943	720	16,554
Dividends unpaid .....	7,043	115,936	.....	24,928
Other liabilities .....	128,358	181,836	43,082	26,674
Total liabilities .....	\$3,496,197	\$15,960,619	\$2,642,742	\$2,840,017

RESOURCES: (Feb. 1856).<sup>21</sup>

	Independent Banks.	Branches of State Bank.	Old Banks.	Free Banks.
Number of banks.....	11	41	1	13
Loans .....	\$1,667,177	\$10,190,805	\$1,721,008	\$1,343,009
Specie .....	207,247	1,740,563	12,328	136,673
Bank notes .....	227,969	745,747	512,695	146,549
Eastern deposits .....	294,679	1,499,416	.....	271,132
Due from banks.....	95,018	765,335	66,201	125,398
Cash items .....	20,350	60,260	15,655	8,293
Bonds of U. S. and Ohio.....	883,535	.....	.....	.....
State stocks deposited with Auditor....	.....	.....	.....	787,248
Safety fund .....	.....	805,970	.....	.....
Real estate, etc.....	14,468	277,050	23,002	36,188
Other resources .....	55,905	492,436	538,466	108,241
Total resources .....	\$3,466,347	\$16,579,581	\$2,889,355	\$2,962,732

## LIABILITIES:

Capital stock .....	\$475,000	\$4,049,500	\$75,000	\$853,250
Circulation .....	829,576	7,480,006	3,355	767,652
Safety fund .....	700,407	.....	.....	233,000
Safety fund at credit B. of C.....	.....	60,264	.....	.....
Due to banks.....	81,654	271,946	1,298,610	50,832
Deposits .....	1,119,342	3,496,077	1,493,983	985,716
Contingent fund .....	108,225	731,136	.....	7,010
Time drafts .....	.....	63,921	720	5,000
Discount, interest, etc.....	46,588	204,435	.....	49,400
Dividends unpaid .....	173	4,163	.....	1,871
Other liabilities .....	105,381	173,133	17,687	2

<sup>20</sup> Ohio—Annual Report of State Auditor for 1855.<sup>21</sup> Bank. Mag., Vol. 10, p. 977.

# Banking and Currency in Ohio Before the Civil War. 509

## OHIO BANK STATISTICS. 1846-1863 — Continued.

Feb. 2, 1857. <sup>22</sup>	<i>Independent Banks.</i>	<i>Free Banks.</i>	<i>Branches of State Bank.</i>
<b>RESOURCES:</b>			
Number of banks.....	8	10	36
Loans .....	\$1,925,565	\$1,430,248	\$10,170,936
Specie .....	195,180	154,653	1,659,142
Bills of other banks.....	260,450	199,754	665,240
Due from banks.....	72,352	119,057	834,650
Eastern exchange .....	237,760	223,311	1,130,398
Cash items .....	23,890	7,486	56,391
State bonds .....	909,303	995,283	831,810
Real estate .....	21,798	39,427	304,677
Miscellaneous .....	39,388	22,660	330,970
Total resources .....	\$3,685,688	\$3,191,881	\$15,984,223

<b>LIABILITIES:</b>			
Capital .....	\$624,105	\$660,200	\$4,114,500
Circulation .....	829,653	917,768	7,048,367
Safety fund .....	572,670	479,600	44,510
Due other banks.....	88,830	69,927	240,745
Due depositors .....	1,327,436	972,728	3,448,954
Undivided profits .....	116,850	30,007	825,391
Bills payable .....	.....	18,973	44,724
Discounts .....	49,688	42,115	210,534
Dividends unpaid .....	769	286	4,255
Miscellaneous .....	75,680	311	2,444
Total liabilities .....	\$3,685,688	\$3,191,881	\$15,984,223

Feb. 1860. <sup>23</sup>	<i>Independent Banks.</i>	<i>Free Banks.</i>	<i>Branches of State Bank.</i>
<b>RESOURCES:</b>			
Specie .....	\$120,957	\$131,416	\$1,576,267
Eastern deposits .....	172,760	335,164	990,870
Notes of other banks.....	157,231	350,764	390,342
Due from banks.....	89,966	285,268	793,735
Loans .....	1,428,692	1,414,402	8,257,368
State bonds .....	600,214	758,529	.....
Safety fund .....	.....	.....	794,809
Real estate .....	75,415	29,107	611,391
Cash items .....	9,632	62,638	85,108
Other resources .....	72,453	37,098	855,176
Total resources .....	\$2,727,320	\$3,404,389	\$14,355,066

<b>LIABILITIES:</b>			
Capital stock .....	\$550,000	\$820,945	\$4,035,750
Reserve fund .....	.....	.....	570,110
Safety fund .....	548,934	365,100	.....
Circulation .....	538,820	652,867	6,792,202
Due banks and bankers.....	87,629	504,315	198,627
Individual deposits .....	853,319	952,056	2,211,068
Dividends unpaid .....	182	325	2,254
Contingent fund .....	87,849	40,407	265,708
Discounts, interest, etc.....	30,850	62,694	150,066
Bills payable .....	.....	5,000	48,167
State tax <sup>24</sup> .....	1,017	.....	18,293
Other liabilities .....	28,720	678	62,216
Total liabilities .....	\$2,727,320	\$3,404,389	\$14,355,065

<sup>22</sup> Bankers' Magazine, Vol. XI, p. 817.    <sup>23</sup> Bankers' Magazine, Vol. XIV, p. 687.

<sup>24</sup> Set off on profits.



## OHIO BANK STATISTICS. 1846-1863 — Continued.

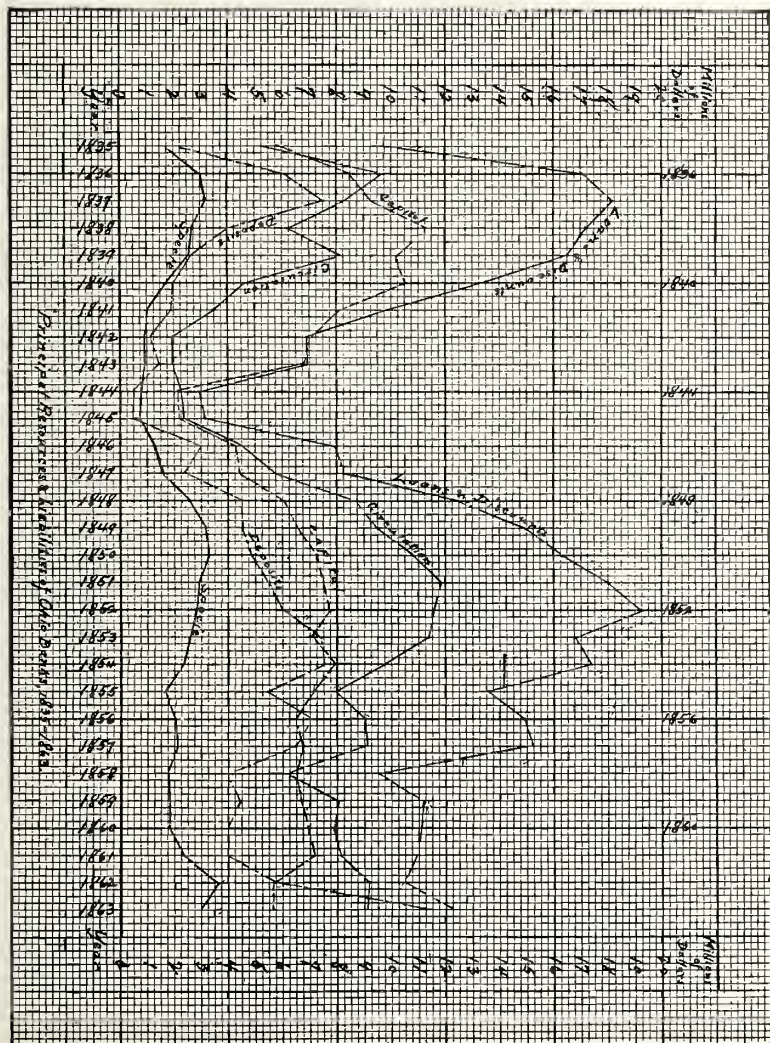
Feb. 1863. <sup>25</sup>	<i>Independent Banks.</i>	<i>Free Banks.</i>	<i>Branches of State Bank.</i>
<b>RESOURCES:</b>			
Specie on hand.....	\$158,255	\$648,048	\$2,216,982
Eastern deposits .....	710,995	673,754	1,648,721
Bank notes .....	300,312	1,500,217	2,012,834
Due from banks.....	126,496	252,716	1,028,044
Discounts .....	1,096,964	2,547,976	8,653,459
State bonds .....	1,205,530	1,748,481	814,809
Real estate, etc.....	80,956	78,770	537,723
Cash items .....	15,143	182,278	63,715
Other resources .....	86,721	71,231	1,343,257
<b>Total resources .....</b>	<b>\$3,781,372</b>	<b>\$7,703,471</b>	<b>\$18,319,544</b>

<b>LIABILITIES:</b>			
Capital .....	\$350,000	\$1,269,300	\$4,054,700
Safety fund .....	534,900	328,700	725,226
Circulation .....	669,288	1,142,036	7,246,514
Due to banks.....	194,788	528,750	291,215
Deposits .....	1,820,474	4,229,148	5,631,629
Unpaid dividends .....	205	165	6,847
Contingent fund, etc.....	116,661	81,137	79,025
Discounts .....	50,817	113,914	216,909
Bills payable .....	.....	9,350	.....
Other liabilities .....	44,239	921	67,479
<b>Total liabilities .....</b>	<b>\$3,781,372</b>	<b>\$7,703,471</b>	<b>\$18,319,544</b>

	<i>Independent Banks.</i>	<i>Free Banks.</i>	<i>Branches of State Bank.</i>
<b>RESOURCES: (Aug. 1863).<sup>26</sup></b>			
Number of banks.....	5	10	36
Specie on hand.....	\$59,570	\$618,506	\$1,712,853
Eastern deposits .....	346,836	404,052	1,398,942
Bank notes .....	275,474	1,091,985	1,832,942
Due from banks.....	72,816	511,646	1,075,443
Discounts .....	938,470	1,911,427	7,586,035
State bonds .....	928,532	1,332,683	816,800
Real property, etc.....	58,436	72,018	518,760
Cash items .....	330,520	31,091	73,880
Other resources .....	73,506	182,982	2,398,116
<b>Total resources .....</b>	<b>\$3,084,160</b>	<b>\$6,156,390</b>	<b>\$17,413,752</b>

<b>LIABILITIES:</b>			
Capital .....	\$227,500	\$1,045,300	\$3,904,700
Safety fund .....	299,900	92,100	728,690
Circulation .....	416,924	596,923	5,901,629
Due to banks.....	303,900	654,489	303,258
Deposits .....	1,673,803	3,593,636	6,016,270
Unpaid dividends .....	205	535	11,737
Contingent fund .....	69,141	69,481	87,239
Interest account .....	68,798	85,950	234,728
Bills payable .....	.....	.....	30,000
Other liabilities .....	24,489	17,976	145,501
<b>Total liabilities .....</b>	<b>\$3,084,160</b>	<b>\$6,156,390</b>	<b>\$17,413,752</b>

<sup>25</sup> Bankers' Magazine, Vol. XVII, p. 863.<sup>26</sup> Ibid., Vol. XVIII, p. 255.



## OHIO BANK STATISTICS. 1846-1863 — Continued.

(In thousands of dollars)<sup>27</sup>

	Independent.					Branch.				
	Loans and counts.	Specie.	Capital	Circulation.	Deposits.	Loans and counts.	Specie.	Capital	Circulation.	Deposits.
1846—Feb.	867	175	283	477	651	2,000	471	998	1,388	907
May	969	160	329	499	645	2,424	618	1,173	1,822	947
Aug.										
Nov.	992	187	376	612	602	3,254	820	1,497	2,655	861
1847—Feb.										
May	1,188	201	440	708	755	4,813	1,080	2,071	3,679	1,275
Aug.	1,126	224	450	738	960	4,661	1,320	2,362	4,179	1,744
Nov.										
1848—Feb.										
May	1,750	295	601	885	1,040	7,181	1,995	3,302	5,475	2,209
Aug.	1,616	280	613	900	961	7,008	1,995	3,500	5,633	1,865
Nov.	1,752	304	627	1,001	997	8,180	2,194	3,716	6,586	2,098
1849—Feb.										
May	1,949	296	751	1,003	1,031	9,691	2,358	4,153	7,227	2,298
Aug.	1,884	301	671	1,036	1,054	9,168	2,497	4,347	7,624	2,228
Nov.	1,932	331	690	1,107	1,002	10,164	2,516	4,428	7,989	2,387
1850—Feb.	2,145	348	698	1,149	1,151	10,364	2,637	4,563	8,202	2,600
May	2,140	311	712	1,078	1,139	10,546	2,117	4,601	7,829	2,362
Aug.	2,158	335	726	1,158	205	9,886	2,070	4,687	7,906	297
Nov.	2,349	334	758	1,250	1,279	10,881	2,052	4,720	8,407	2,824
1851—Feb.	2,530	331	865	1,309	1,547	11,131	2,157	4,748	8,785	3,077
May	2,711	322	865	1,391	1,516	11,994	2,052	4,803	8,660	3,134
Aug.	2,670	313	865	1,375	1,511	11,218	2,008	4,836	8,624	3,005
Nov.	2,239	281	726	1,158	1,329	11,830	1,957	4,852	8,464	3,058
1852—Feb.										
May										
Aug.	2,005	306	744	1,130	1,180	8,969	1,979	4,514	7,750	3,387
Nov.	2,203	269	749	1,145	1,501	10,347	1,854	4,457	8,121	3,544
1853—Feb.										
May	2,192	198	699	912	1,363	11,525	1,725	4,422	8,009	3,985
Aug.	2,276	250	719	1,024	1,340	10,136	1,683	4,141	7,642	3,721
Nov.										
1854—Feb.	2,219	226	719	1,042	1,237	11,182	1,706	4,294	7,716	4,053
May	2,242	193	720	1,005	1,241	11,160	1,651	4,254	7,311	3,599
Aug.										
Nov.										

<sup>27</sup> For the remainder of this table the references not already given above are as follows: Feb. 46, *And. Rept.* 2:27:46; Nov. 46, *Ibid.*, 1:6:47; Aug. 47, *Hunt's Mag.*, 17:533; May 48, *Ibid.*, 19:224; Nov. 48, *Bankers' Mag.*, 3:604; May 49, *Hunt's Mag.*, 21:245; Nov. 49, *Ibid.*, 22:222; Feb. 50, *Ibid.*, 22:650; Aug. 50, *Ibid.*, 23:548; Nov. 50, *Ibid.*, 24:91; Jan. 51, *Ibid.*, 24:487; Aug. 51, *Ibid.*, 25:467; Nov. 51, *Ibid.*, 26:224;

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OHIO BANK STATISTICS. 1846-1863 — Continued.

(In thousands of dollars)

		Old.					Free.				
		Loans and Dis- counts.	Specie.	Capital.	Circulation.	Deposits.	Loans and Dis- counts.	Specie.	Capital.	Circulation.	Deposits.
1846—	Feb. ....	4,924	729	2,567	2,641	1,124	.....	.....	.....	.....	.....
	May ....	4,639	706	2,565	2,464	973	.....	.....	.....	.....	.....
	Aug. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Nov. ....	4,046	612	3,954	2,407	935	.....	.....	.....	.....	.....
1847—	Feb. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	May ....	4,936	745	2,561	2,894	1,327	.....	.....	.....	.....	.....
	Aug. ....	4,709	779	2,561	2,855	1,467	.....	.....	.....	.....	.....
	Nov. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1848—	Feb. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	May ....	2,809	482	2,211	1,665	1,518	.....	.....	.....	.....	.....
	Aug. ....	3,476	457	2,311	1,398	1,373	.....	.....	.....	.....	.....
	Nov. ....	3,747	403	2,311	1,580	1,075	.....	.....	.....	.....	.....
1849—	Feb. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	May ....	3,342	373	2,011	1,021	1,001	.....	.....	.....	.....	.....
	Aug. ....	3,392	412	2,011	1,203	1,087	.....	.....	.....	.....	.....
	Nov. ....	3,499	396	2,011	1,349	1,016	.....	.....	.....	.....	.....
1850—	Feb. ....	3,796	385	2,011	1,475	1,096	.....	.....	.....	.....	.....
	May ....	3,644	317	2,011	1,277	951	.....	.....	.....	.....	.....
	Aug. ....	3,557	346	2,011	1,302	735	.....	.....	.....	.....	.....
	Nov. ....	3,829	364	2,011	1,403	980	.....	.....	.....	.....	.....
1851—	Feb. ....	4,386	443	2,011	1,739	888	.....	.....	.....	.....	.....
	May ....	4,450	426	1,951	1,637	956	.....	.....	.....	.....	.....
	Aug. ....	3,654	438	1,924	1,637	1,000	.....	.....	.....	.....	.....
	Nov. ....	3,814	418	1,924	1,537	972	.....	.....	.....	.....	.....
1852—	Feb. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	May ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Aug. ....	3,153	448	1,548	1,454	1,093	1,042	131	359	542	967
	Nov. ....	3,169	384	1,548	1,488	1,214	1,069	123	362	619	913
1853—	Feb. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	May ....	3,678	403	1,548	1,525	1,054	1,363	155	659	803	1,187
	Aug. ....	1,738	340	936	1,474	511	1,236	172	695	850	1,333
	Nov. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1854—	Feb. ....	2,715	186	811	451	1,062	1,265	141	720	629	1,332
	May ....	2,514	99	711	399	894	1,367	134	835	792	.....
	Aug. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Nov. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

May 53, *Ibid.*, 29:352; Feb. 54, *Ibid.*, 30:605; May 54, *Ibid.*, 31:91; Jan. 55, *Ibid.*, 32:352; May 56, *Ibid.*, 35:99; Nov. 56, *Aud. An. Rept.* 1856, p. 67; Nov. 57, *Aud. An. Rept.* 1857, p. 454; Feb. 58, 25th Cong. 1st Sess. House Doc. 107:286-90; Aug. and Nov. 58, *Bankers' Mag.* 13:892; Feb. 59, *Ibid.*, 14:687; Aug. 59, *Hunt's Mag.* 42:86; Nov. 59, *Ibid.*; Nov. 60, *Aud. An. Rept.* 1860, p. 40; Feb. 61, *Bankers' Mag.* 16:789; Nov. 61, *Aud. An. Rept.* 1861, p. 94; Feb. 62, *Bankers' Mag.* 16:789; May 63, *Ibid.*, 17:863.









BANK STATISTICS FOR UNITED STATES, 1774-1804.<sup>28</sup>

Year.	Number of banks.	Millions of dollars.			Year.
		Metallic circulation.	Circulation.	Capital.	
1774 .....	.....	4.0	.....	.....	1774
1784 .....	3	10.0	2.0	2.1	1784
1790 .....	4	9.0	2.5	2.5	1790
1791 .....	6	16.0	9.0	12.9	1791
1792 .....	16	18.0	11.5	17.1	1792
1793 .....	17	20.0	11.0	18.0	1793
1794 .....	17	21.5	11.6	18.0	1794
1795 .....	23	19.0	11.0	19.0	1795
1796 .....	24	16.5	10.5	19.2	1796
1797 .....	25	16.0	10.0	19.2	1797
1798 .....	25	14.0	9.0	19.2	1798
1799 .....	26	17.0	10.0	21.2	1799
1800 .....	28	17.5	10.5	21.3	1800
1801 .....	31	17.0	11.0	22.4	1801
1802 .....	32	16.5	10.0	22.6	1802
1803 .....	36	16.0	11.0	26.0	1803
1804 .....	39	17.5	14.0	39.5	1804

<sup>28</sup> Above estimates are from Blodgett's *Economica*, p. 66, and are given in Secretary Crawford's report on the condition of the banks, Jan. 3, 1836, p. 216.

See also Report of Comptroller of the Currency, 1876, p. XXXIX

STATISTICS OF BANKS IN THE UNITED STATES, 1811-1840.<sup>29</sup>

(In thousands of dollars).

Date, Jan. 1.	Number of banks.	Loans and discounts.	Specie.	Circulation.	Deposits.	Capital.
1811 .....	89	.....	\$15,400	\$28,100	.....	\$52,601
1815 .....	208	.....	17,000	45,500	.....	82,259
1816 .....	246	.....	19,000	68,000	.....	89,822
1820 .....	308	.....	19,820	44,863	\$35,950	137,110
1830 .....	330	\$200,451	22,114	61,323	55,559	145,192
1834 .....	506	324,119	.....	94,839	75,666	200,005
1835 .....	558	365,163	43,937	103,692	83,081	231,250
1836 .....	567	457,506	40,019	140,301	115,104	251,875
1837 .....	634	525,115	37,915	149,185	127,397	290,772
1838 .....	663	485,631	35,184	116,138	84,691	317,636
1839 .....	662	492,278	45,132	135,170	90,240	327,132
1840 .....	722	462,896	33,105	106,968	75,696	358,442

SAME FOR STATE BANKS ONLY.<sup>30</sup>

1811 .....	88	.....	\$9,600	\$22,700	.....	\$42,610
1815 .....	208	.....	17,000	45,500	.....	82,259
1816 .....	246	.....	19,000	68,000	.....	89,822
1819 .....	.....	\$73,623	9,828	35,770	11,192	72,340
1820 .....	307	.....	16,672	40,641	31,244	102,110
1829 .....	329	.....	14,939	48,274	40,781	110,192

<sup>29</sup> Elliott's Funding System, p. 984—House Ex. Doc. No. 15, 1st sess., 28th Cong.

<sup>30</sup> Figures for 1819 from Sec. Crawford's Report to Cong., Feb., 1820. For the other years—Gallatin's Considerations on the Currency and Banking Systems of the U. S. (Phila., 1831), pp. 45, 49 and 53.

STATISTICS OF STATE BANKS IN THE UNITED STATES,  
1834-1863.<sup>31</sup>

(In thousands of dollars).

Year.	Number of banks.	Loans and discounts.	Specie.	Capital.	Circulation.	Deposits.
1834	506	\$324,119	.....	\$200,005	\$94,839	\$75,666
1835	704	365,163	\$43,937	231,250	103,692	83,081
1836	713	457,506	40,019	251,875	140,301	115,104
1837	788	525,115	37,915	290,772	149,185	127,397
1838	829	485,631	35,184	317,636	116,138	84,691
1839	840	492,278	45,132	327,132	135,170	90,240
1840	901	462,896	33,105	358,442	106,968	75,696
1841	784	386,487	34,813	313,608	107,290	64,890
1842	692	323,957	28,440	260,171	83,734	62,408
1843	691	254,544	33,515	228,861	58,563	56,168
1844	696	264,905	49,898	210,872	75,167	84,550
1845	707	288,617	44,241	206,045	89,608	88,020
1846	707	312,114	42,012	196,894	105,552	96,913
1847	715	310,282	35,132	203,070	105,519	91,792
1848	751	344,476	46,369	204,838	128,506	103,226
1849	782	332,323	43,619	207,309	114,743	91,178
1850	824	364,204	45,379	217,317	131,366	109,586
1851	879	413,756	48,671	227,807	155,165	128,957
1852	.....	.....	.....	.....	.....	.....
1853	750	408,943	47,138	207,908	146,072	145,553
1854	1,208	557,397	59,410	301,376	204,689	188,188
1855	1,307	576,144	53,944	337,177	186,952	190,400
1856	1,395	634,183	59,314	343,874	195,747	212,705
1857	1,416	684,456	58,349	370,834	214,778	230,351
1858	1,422	583,165	74,412	394,622	155,208	185,932
1859	1,476	657,183	104,537	401,976	193,306	259,568
1860	1,562	691,945	83,594	421,880	207,102	253,802
1861	1,601	696,778	87,674	429,592	202,005	257,229
1862	1,492	646,677	102,146	418,139	183,792	296,322
1863	1,466	648,601	101,227	405,045	238,677	393,686

<sup>31</sup>From Report of the Comptroller of the Currency, 1876, pp. XCIV and XCV.

CINCINNATI PRICES.<sup>32</sup>

(On or about Dec. 1.)

1829-1858.

	Wheat per bu.	Flour per bbl.	Corn per bu.	Whiskey per gal.	Hogs per cwt.	Mess Pork per bbl.	Lard per lb.	Sugar per lb.	Coffee per lb.	Tallow candles per lb.
1829 .....	\$0 50	\$4 12½	\$0 25	\$0 24½	\$2.60	.....	\$0 06	\$0 09	\$0 15	\$0 12
1830 .....	56	3 62½	20	24	2.60	\$9 50	06	09½	19	12½
1831 .....	56	3 62½	20	24	2.60	9 50	06	07	15½	10½
1832 .....	75	4 25	37	25	2.60	10 50	06	06½	14	12
1833 .....	62	3 55	31	25	2.60	10 00	06¼	10	15	13
1834 .....	62	3 31	31	37½	3.12½	10 00	06	07½	15	11
1835 .....	1 06	6 37	32	37½	3.12½	16 00	08½	10	14½	12
1836 .....	1 25	8 25	33	34	7.00	19 00	12½	10½	15	14
1837 .....	1 12	6 75	40	36½	3.50	17 50	06½	07½	13½	14
1838 .....	1 15	6 15	62½	42	6.00	19 50	10	12½	15	14½
1839 .....	65	4 00	31½	32	3.00	13 00	08	07½	15	13½
1840 .....	60	3 60	60	18¼	4.75	15 00	08	07½	13	11
1841 .....	1 00	5 30	30	15½	2.25	6 25	05	07	12½	10½
1842 .....	45	2 62	20	13½	1.75	5 00	04¼	07¼	10½	09
1843 .....	60	3 62	20	13	2.45	7 60	05	06¼	08	09
1844 .....	70	3 70	33	25	2.60	8 00	05¼	05¼	07½	08½
1845 .....	90	5 00	31	23	4.37	12 00	07½	06¾	08¾	08½
1846 .....	60	3 50	25	16½	2.85	8 00	06	07	08½	8½
1847 .....	1 00	4 95	33	17½	3.20	9 00	06¼	05	08½	10½
1848 .....	75	2 80	28	16	3.30	9 00	06	04½	07¼	10
1849 .....	80	4 25	30	21	2.80	8 00	05¾	04¾	12½	10
1850 .....	70	3 85	33	23¾	4.00	10 25	07	06	12	9
1851 .....	58	2 95	30	16	4.55	12 00	07	05¾	10	10
1852 .....	75	4 00	43	20½	6.25	16 75	10¾	05	10	12
1853 .....	1 00	5 30	37	21¾	4.00	11 00	08½	05	12¼	14
1854 .....	1 50	7 50	56	31	5.00	12 50	09	05¼	11¾	15
1855 .....	1 62	8 10	43	34½	6.30	16 00	10¾	07½	12¼	15
1856 .....	1 10	5 30	45	25	6.00	15 00	10¾	10½	11¾	13
1857 .....	80	4 40	40	17½	5.00	13 00	09	07¼	11	12
1858 .....	1 03	4 40	70	23	6.85	17 00	10¾	07¼	12	12½

<sup>32</sup>3rd Annual Report Ohio Com. Statistics, 1859, p. 96. Or Exec. Doc. Part 1, 1859, p. 846.



OHIO FINANCES FROM 1833 TO 1856.<sup>33</sup>

Year.	Foreign and domestic debt.	Annual interest state debt.	Taxable property real and personal.	Gross revenues.	Gross expenditures.
1833	\$4,750,000	\$285,000	\$78,019,526	\$298,739	\$288,739
1834	4,891,669	293,500	75,593,312	261,326	277,949
1835	4,979,287	294,757	94,438,016	201,766	235,365
1836	5,857,833	351,470	85,812,382	301,059	269,660
1837	6,136,516	368,190	91,591,745	327,868	287,560
1838	6,905,790	414,348	106,953,018	451,757	324,702
1839	10,030,162	601,809	111,224,197	655,905	632,823
1840	14,012,230	770,822	112,037,861	306,498	295,090
1841	15,573,354	934,401	128,353,657	255,832	192,279
1842	16,947,325	1,016,839	132,343,835	292,224	227,863
1843	18,668,321	1,120,099	133,663,794	328,270	233,462
1844	19,276,751	1,167,444	136,142,666	371,963	239,141
1845	19,251,180	1,140,706	144,160,469	1,583,456	1,869,937
1846	19,246,002	1,164,260	150,293,132	2,081,384	2,038,027
1847	19,233,847	1,163,509	409,897,379	2,644,785	2,397,605
1848	19,173,223	1,159,893	419,897,379	2,473,702	2,137,194
1849	19,026,200	1,147,854	429,665,629	2,511,119	2,383,135
1850	18,744,594	1,124,536	439,876,340	2,536,558	2,961,581
1851	15,584,893	923,343	462,148,620	2,878,656	2,696,369
1852	15,520,768	919,496	507,581,911	3,016,403	2,736,060
1853	15,218,129	901,191	593,396,848	2,865,907	2,696,118
1854	14,524,886	859,596	866,929,982	3,715,103	3,893,253
1855	14,008,295	829,253	860,877,354	3,631,173	3,512,844
1856	14,008,274	829,253	820,661,037	3,588,353	3,712,206

<sup>33</sup> Figures of Ohio State Auditor.—Bankers' Mag. 11:727 (Mar. 1857).

PROFITS OF STATE BANKS AND STOCK BANKS IN OHIO,  
JANUARY 1, 1854.<sup>35</sup>

Name.	Location.	Date of Organ- ization.	Dividends in 1853.		Total Profits Beginning to Dec., 1853.
			Amount.	% of Cap.	
State Banks. <sup>34</sup>					
Athens Branch .....	Athens .....	July 20, '48.	\$20,000	20	\$77,231
Akron Branch .....	Akron .....	Dec. 1, '45.	20,000	20	135,000
Belmont Branch .....	Bridgeport .....	Feb. 1, '48.	11,000	11	65,360
Chillicothe Branch .....	Chillicothe .....	July 25, '45.	30,000	12	263,155
Commercial Branch .....	Cleveland .....	Nov. 25, '45.	35,000	20	261,232
Commercial Branch* .....	Toledo .....	Oct. 25, '45.	30,000	20	161,899
Dayton Branch .....	Dayton .....	July 10, '45.	10,700	10	143,736
Delaware Co. Branch.....	Delaware .....	Oct. 13, '45.	9,350	9.9	88,546
Exchange Branch .....	Columbus .....	June 11, '45.	15,000	12	133,117
Farmers' Branch .....	Ashtabula .....	Feb. 7, '48.	10,000	10	63,940
Farmers' Branch .....	Mansfield .....	Aug. 12, '47.	18,630	18.6	79,963
Farmers' Branch .....	Ripley .....	Aug. 17, '47.	6,000	6	61,173
Farmers' Branch .....	Salem .....	May 12, '46.	10,000	10	75,900
Franklin Branch .....	Columbus .....	Aug. 12, '45.	29,750	17	193,512
Guernsey Branch .....	Washington .....	Aug. 1, '48.	11,000	11	61,631
Harrison Co. Branch.....	Cadiz .....	Aug. 7, '47.	10,000	10	67,295
Hocking Valley Branch.....	Lancaster .....	Jan. 25, '47.	10,000	10	89,306
Jefferson Branch .....	Steubenville .....	Sept. 1, '45.	16,000	16	98,873
Knox Co. Branch.....	Mt. Vernon.....	Jan. 18, '48.	16,000	16	84,955
Logan Branch .....	Logan .....	Dec. 15, '49.	12,000	12	45,653
Lorain Branch .....	Elyria .....	Aug. 17, '47.	7,468	10	56,921
Mad River Valley Branch.....	Springfield .....	Jan. 23, '47.	16,000	16	119,425
Marietta Branch .....	Marietta .....	Nov. 3, '45.	16,000	16	123,620
Mechanics' & Traders' Branch*.	Cincinnati .....	Aug. 18, '45.	.....	.....	46,376
Merchant's Branch .....	Cleveland .....	July 15, '45.	25,000	20	150,374
Miami Co. Branch .....	Troy .....	Mar. 12, '47.	15,030	15	70,594
Mt. Pleasant Branch.....	Mt. Pleasant .....	Sept. 1, '47.	10,000	10	65,286
Muskingum Branch .....	Zanesville .....	Feb. 12, '48.	12,000	12	74,199
Norwalk Branch .....	Norwalk .....	May 19, '47.	21,969	18-	110,977
Piqua Branch .....	Piqua .....	May 20, '47.	14,000	14	77,468
Portage Co. Branch.....	Ravenna .....	Feb. 1, '48.	13,390	13	81,936
Portsmouth Branch .....	Portsmouth .....	Mar. 9, '47.	.....	.....	95,942
Preble Co. Branch <sup>2</sup> .....	Eaton .....	July 19, '47.	10,000	10	140,614
Ross Co. Branch.....	Chillicothe .....	Nov. 16, '46.	24,600	16	155,335
Summit Co. Branch.....	Cuyahoga Falls.	Nov. 21, '45.	15,000	15	75,636
Toledo Branch .....	Toledo .....	July 15, '45.	.....	.....	.....
Union .....	Massillon .....	Nov. 15, '45.	21,000	14	139,638
Wayne Co. Branch.....	Wooster .....	Feb. 7, '48.	8,900	9.9	51,748
Xenia Branch .....	Xenia .....	Aug. 7, '45.	12,000	12	168,273

<sup>34</sup> Forty-one branches were organized. One at Cincinnati soon wound up its business as a branch bank and continued as a private bank under the name of Groesbeck & Co. Another at Newark, organized Jan. 15, 1849, went into the hands of a receiver in May, 1852, and was closed.

PROFITS OF STATE BANKS AND STOCK BANKS IN OHIO.  
JANUARY 1, 1854 — Concluded.

Name.	Location.	Date of Organization.	Dividends in 1853.		Total Profits <sup>1</sup> Beginning to Dec., 1853.
			Amount.	% of Cap.	
<i>Independent Banks.</i>					
Bank of Geauga.....	Painesville .....	April 29, '45.	\$13,193	7.6	\$85,874
Canal Bank of.....	Cleveland .....	July 9, '45.	12,000	12	43,493
City Bank of.....	Cleveland .....	July 1, '45.	11,580	8	95,335
City Bank of.....	Columbus .....	July 23, '45.	.....	.....	.....
City Bank of*.....	Cincinnati .....	Sept. 9, '45.	.....	.....	3,549
Commercial Bank of*.....	Cincinnati .....	April 15, '45.	14,505	13.9	107,073
Franklin Bank of.....	Zanesville .....	Oct. 2, '45.	.....	.....	142,544
Mahoning Co. Bank.....	Youngstown .....	Nov. 15, '50.	14,558	9.2	30,794
Sandusky City Bank.....	Sandusky .....	June 4, '46.	.....	.....	33,801
Seneca County Bank.....	Tiffin .....	Nov. 18, '47.	.....	.....	.....
Western Reserve Bank.....	Warren .....	July 1, '45.	30,000	9.9	165,292
Total .....	.....	.....	\$95,841	.....	\$710,759
<i>Free Banks.</i>					
Bank of Commerce.....	Cleveland .....	Dec. 6, '52.	\$2,500	2.6	\$3,198
Bank of Marion.....	Marion .....	Sept. 27, '51.	9,000	9	25,282
Champaign Co. Bank.....	Urbana .....	Aug. 15, '51.	5,110	10	10,132
Franklin Bank Portage Co.....	Franklin .....	Dec. 15, '51.	4,025	6.5	6,860
Forest City Bank.....	Cleveland .....	Sept. 25, '51.	6,179	6.9	14,198
Iron Bank of Ironton.....	Ironton .....	July 12, '51.	5,552	8.8	11,882
Merchants' Bank of .....	Massillon .....	July 1, '51.	7,600	12	11,508
Miami Valley Bank of.....	Dayton .....	Aug. 18, '51.	8,800	4.5	18,350
Pickaway Co. Bank.....	Circleville .....	Aug. 18, '51.	10,000	10	19,972
Savings Bank of*.....	Cincinnati .....	Aug. 30, '51.	.....	.....	.....
Springfield Bank.....	Springfield .....	July 2, '51.	.....	.....	.....
Stark County Bank.....	Canton .....	Nov. 8, '51.	3,000	10	5,200
Union Bank .....	Sandusky City..	Jan. 1, '51.	11,230	9.7	20,530
Total .....	.....	.....	\$72,996	.....	\$147,112

<sup>33</sup> Ohio Exec. Doc., Part II, 1853, p. 326. Auditor's Report, 4/8/54.

\* These banks failed to make return of their taxable property, as required by law, and subjected themselves to a penalty of 50%. In the case of Mechanics' & Traders' Bank the penalty was remitted on payment of its taxes.

STATEMENT OF THE BANK OF THE OHIO VALLEY,  
MAY 6, 1862.<sup>20</sup>

RESOURCES.

Ohio State 6% stocks, per.....	\$200,579 87
Little Miami and Cincinnati. Hamilton & Dayton R. R. bonds .....	24,425 50
United States one year certificates.....	22,000 00
Eastern exchange .....	92,905 30
Sterling Exchange at 4:80.....	4,186 54
Real estate and personal property.....	34,785 71
Bills discounted .....	461,863 69
Suspended debt (good).....	11,187 39
Due from banks and bankers.....	29,674 25

Cash, bank notes —

United States demand notes.....	\$355,500 00
Ohio and Indiana notes.....	216,200 00
Kentucky notes .....	10,000 00
Gold coin .....	471,683 00
Silver coin .....	8,047 10
Cash items .....	29,997 89
	<hr/>
	1,071,427 99
	<hr/>
	\$1,953,036 24

LIABILITIES.

Capital Stock .....	\$500,000 00
Undivided profits .....	46,883 31
Bank notes in circulation.....	83,498 00
City depositors .....	940,446 04
Due banks and bankers.....	376,208 89
	<hr/>
	\$1,953,036 24

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<sup>20</sup> Cincinnati Daily Gazette, May 8, 1862

PRICES PAID BY BROKERS AND OTHERS FOR NOTES OF  
OHIO BANKS THAT FAILED, 1831-1843.<sup>37</sup>

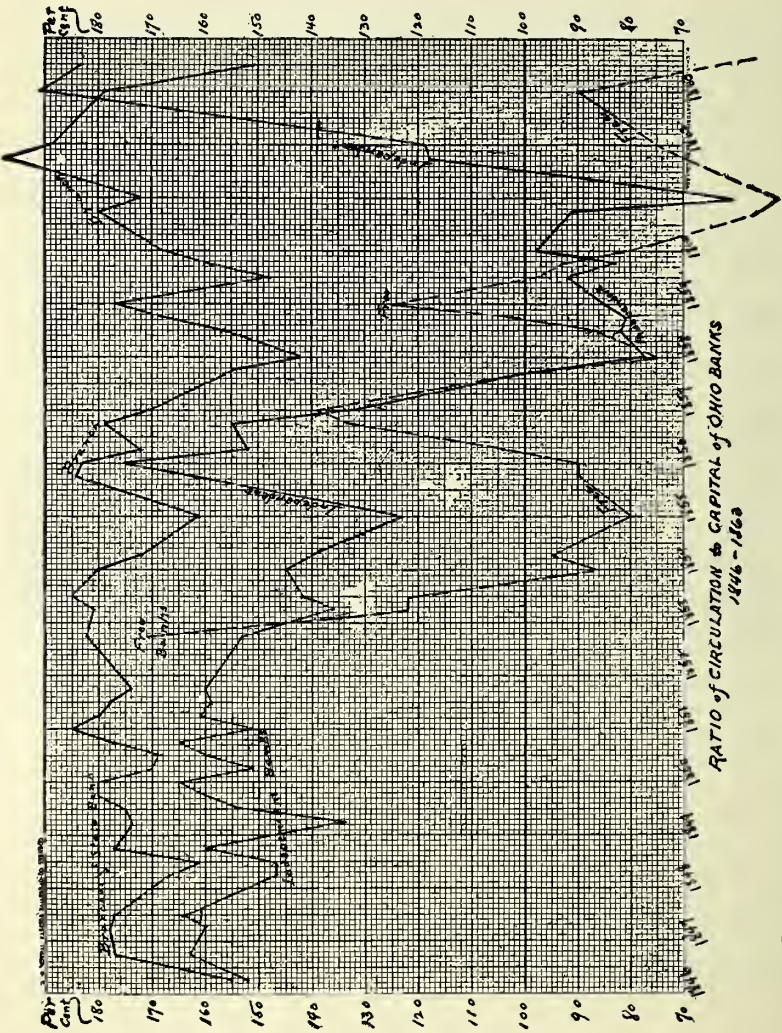
Names of banks.	Circulation at time of failure.	Prices paid.			Consequent loss to note holders.
		Highest.	Lowest.	Average	
Commercial Bank of Lake Erie .....	\$133,324	95	50	75	\$33,331
Bank of Cleveland.....	198,237	85	30	45	109,030
Franklin Bank of Columbus.	302,903	par	75	90	30,290
Farmers' Bank of Canton....	78,442	87	50	65	27,455
Urbana Banking Co.....	368,983	70	30	50	184,492
Lebanon Miami Banking Co..	42,472	50	12	20*	33,978
Miami Exporting Co.....	58,800	75	30	50	29,400
Bank of Cincinnati.....	55,693	50	12	25	41,770
Bank of Steubenville.....	90,000	50	12	35	58,500
Lancaster Bank .....	173,970	94	70	75	43,493
Bank of Chillicothe.....	281,277	par	75	87	36,566
Bank of Circleville.....	34,010	50	12	25	25,508
Manhattan Bank .....	89,898	70	20	50	44,949
West Union Bank.....	125,000	50	.....	20	100,000
German Bank of Wooster...	125,000	50	8	40	75,000
Commercial Bank of Scioto.	112,904	94	50	75	28,226
Gallipolis Bank .....	380,000	.....	.....	.....	380,000
Granville Alexandrian Soc..	150,000	50	20	40	90,000
Ohio Railroad .....	34,000	.....	.....	.....	34,000
					\$1,405,988



TABLE SHOWING THE PREMIUM CHARGED FOR EXCHANGE  
AT THE FOLLOWING PLACES, AS TAKEN FROM  
LETTERS, ETC., IN THE OFFICE OF THE  
BANK COMMISSIONERS.

Year.	Columbus.	Canton.	Circleville.	Cincinnati.	Cleveland.	Average.
1832 .....	.....	1	.....	.....	1	1
1833 .....	.....	1	.....	.....	1	1
1834 .....	.....	1	.....	.....	1½	1
1835 .....	.....	1½	1¼	½	1	1¼
1836 .....	1¼	1½	1½	1	1½	1½
1837 .....	2½	3½	2	3	1½	2¾
1838 .....	2½	4	6	5	2	5
1839 .....	3	.....	10	2½	1½ to 14	8
1840 .....	6	.....	10	9½	1½ to 14	8
1841 .....	12	8½	13	10	1½ to 14	12
1842 .....	2	8½	9	14	1½ to 14	8
1843 .....	1	.....	2	1½	.....	1½

<sup>27</sup> From special report of bank commissioner, B. Latham, 1844. Mr. Latham estimated that from 1832 to 1843 the imports of merchandise into Ohio amounted to approximately \$227,000,000 on which the premiums paid must have been about \$11,000,000, a loss due to the depreciated currency.



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## OHIO CAVE DWELLERS.

BY J. H. GALBRAITH.

[Mr. Galbraith has for some time been publishing a series of "Short Stories of the Buckeye State." Many of them are worthy of preservation in permanent form. Archaeologists will be interested in the one herewith reprinted. Did the Cave Dwellers antedate the Mound Builders? — EDITOR.]

When Charles Whittlesey explored the shelter houses or caves under the sandstone outcropping along the Black river in the vicinity of Elyria, in 1851, he found that the floor of the caves was covered several feet thick with detertias from the rocks, thickly mingled with bones of animals. The shelter caves there are exactly like those in France and other parts of Europe, in which archaeologists have found many interesting relics.

In the Elyria case the sandstone, or grit, lies upon shale formations, and the latter wearing away under the influence of the elements much more rapidly than the superimposed sandstone, deep shelters have been made which the primitive human beings in this vicinity occupied as their homes, just as birds and other animals select for their use such shelter as nature herself provides. Not being good housekeepers, the early human occupants of these shelter caves threw their garbage on the floors of the caves and it was this accumulation that Colonel Whittlesey explored.

With the bones of birds, animals, fishes, etc., there was found charcoal and ashes, showing that these primitive people knew the art of making fire and used it to warm themselves and, perhaps, to cook their meat and parch their corn.

The explorer also found buried in this accumulation on the cave floor three human skeletons, lying just below the surface and in such position as to lead him to believe that they had not been buried there after death, but that they were the victims of just such an accident as frequently happens now in the coal mines of Ohio. He believed that they were killed by a fall of slate from the roof of the shelter cave, a mass of such material becoming dislodged from the roof above their heads as they slept or rested on the floor below, and it both killed and buried the three.

One of the skeletons was evidently that of an aged woman, another that of a young man, and the other was of uncertain age and sex. Very few implements were found in the exploration and it is believed that the skeletons were of people who lived in Ohio not less than two thousand years ago.

# THIRTIETH ANNUAL MEETING OF THE OHIO STATE ARCHAEOLOGICAL AND HISTORICAL SOCIETY.

## PRELIMINARY SESSION.

SOCIETY BLDG., COLUMBUS, OHIO, May 21, 1915.

The meeting was called to order by the President, Prof. G. Frederick Wright. There were present: Messrs. G. Frederick Wright, George F. Bareis, L. P. Schaus, W. H. Cole, H. E. Buck, C. H. Gallup, Webb C. Hayes, J. E. Campbell, W. H. Scott, H. C. Hockett, E. F. Wood, E. O. Randall, W. R. Walker, D. H. Gard, I. F. King, W. L. Curry, W. C. Mills, H. C. Shetron and R. C. Baker.

There being nineteen members of the Society present, the requisite quorum (ten), as required by the constitution, was complied with.

The Secretary made the explanation that according to the constitution of the Society, the annual meeting must be held on a day previous to the 30th of May. This year, however, it will be difficult for the Society to transact the usual business of its annual meeting at this time, for the reason that the legislature is still in session, and we do not know how long it may so remain. Nothing has yet been done by the general assembly as to the general appropriation bills, except that the partial appropriation bill has been passed, providing for all required expenditures covering the period from February 16 to June 30, (1915) — the Society's finances are now being cared for by the said partial appropriation bill. We are at sea as to future proceedings, until we know what provision the State will make for the ensuing two years. In this connection it must be recalled that two years ago the legislature changed the fiscal year of the state — which heretofore began on February 16, and made the beginning of the fiscal year July 1st, running to the succeeding 30th of June.

Under instructions from the finance committee it was de-

cided to comply with the constitution by calling the meeting for this date, transact such business as could be done under the circumstances, and then adjourn to some later day, after July 1st.

By permission of the meeting the Secretary read as the minutes of the last annual meeting simply the condensed report, as published in volume 23 of the Society's *Annals*.

Treasurer Wood, in order to make the constitution conform to the change by the legislature in the beginning and ending of the fiscal year, offered the following resolution:

"WHEREAS, The State of Ohio has made a change in its fiscal year by which hereafter the fiscal year of the State will end on June 30th of each year, and

"WHEREAS, It is very desirable that the fiscal year of the Ohio State Archaeological and Historical Society should conform to the fiscal year of the State; therefore be it

*Resolved*, That the Constitution of this Society be amended as follows:—

Amend Section 1 of Article V by striking out "May 1st" and insert in lieu thereof the words "June 30th," thus making the first sentence of Section 1 of Article V to read as follows:—

"The fiscal year of the Society shall end June 30 and the annual meeting shall be held at Columbus within thirty days thereafter, at the discretion of the president and secretary."

This resolution was adopted without dissent.

Mr. Wood then offered the following resolution:

"WHEREAS, The Constitution of this Society has been amended to thereby make the fiscal year of the Society end on June 30th instead of on May 1st as heretofore; therefore

*Resolved*, that the Treasurer of this Society be, and he hereby is, authorized to keep the financial books of the Society open for the current fiscal year until June 30, 1915, and to close his books for the current fiscal year as of that date.

This resolution also was adopted.

Secretary Randall announced that on April 3, (1915), Governor Willis appointed Mr. Waldo C. Moore, Lewisburg, trustee of the Society, succeeding Hon. John W. Harper of Cincinnati. On April 26, the Governor appointed Mr. William H. Cole, Sabina, trustee to succeed Hon. J. W. Yeagley of New Philadelphia. Both new appointees will serve for three years, until February, 1918.

After some further discussion as to the situation it was moved and carried that this preliminary annual meeting of the Society adjourn to a date subsequent to July 1st, which adjourned date shall be determined at the discretion of the president and secretary of the Society.

Mr. W. H. Cole, the newly appointed Trustee, was called upon for initiatory remarks, it being his first appearance. He briefly expressed his pleasure in becoming associated with the working force of the Society; the museum and library surpassed his expectations and both the Archaeological and Historical features of the Society would elicit his interest and hearty support toward their future advancement.

#### MEETING OF THE TRUSTEES.

Following the meeting of the Society there was a session of the Trustees, called to order by President Wright. There were present: Messrs. G. Frederick Wright, L. P. Schaus, C. H. Gallup, J. E. Campbell, E. O. Randall, George F. Bareis, W. H. Cole, Webb C. Hayes and E. F. Wood. Mr. W. C. Mills, Curator, was also present.

Colonel Hayes made the request that the Society in some way make provision for special policemen for Spiegel Grove. It was decided that the appointment of these policemen could only be made by the Mayor of Fremont. The Society could request of the mayor the appointment of specified parties.

Attention was called to the fact that an attempt was being made, by certain parties in Fremont, to change the name of one of the street, abutting on Spiegel Grove now known as Cleveland avenue, to Wison avenue. The Secretary of the Society was instructed to confer with the Attorney General of Ohio, and secure his co-operation in an injunction suit brought by Colonel Hayes, to prevent the change intended.

The Secretary was also instructed to request the Attorney General to represent the Society in an action now pending in Fremont, concerning the rights of the Society as owners and occupants of Spiegel Grove property, to have natural gas furnished free by the National Carbon Company.

ADJOURNED SESSION.  
(Thirtieth Annual Meeting.)

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SOCIETY BUILDING, SEPTEMBER 24, 1915.

There were present Messrs.:

B. F. Prince,	H. E. Buck,
F. P. Hills,	W. R. Walker,
D. H. Gard,	W. B. Rosamond,
Webb C. Hayes,	L. P. Schaus,
Calvin Young,	W. D. McKinney,
E. F. Wood,	E. O. Randall,
W. C. Mills,	G. F. Wright,
J. E. Campbell,	G. F. Bareis,
Byron R. Long,	Geo. W. Knight,
J. S. Roof,	W. H. Cole,
Waldo C. Moore,	W. H. Darby,
Isaac C. King,	D. J. Ryan,
W. H. Scott,	H. C. Shetrone,
A. M. Schlesinger,	E. H. Archer,
H. C. Hockett,	Almer Hegler.
C. W. Justice,	

The meeting was called to order by President G. Frederick Wright, at 1:30 P. M.

After a few introductory remarks by the President, he called for the report of the Secretary of the Society, Mr. Randall.

Mr. Randall stated that this is the adjourned session of the annual meeting. It was first called for May 21, in order to comply with the constitution, requiring the annual meeting to be held previous to the 1st of June. A session was held May 21st, in this building. There were nineteen present. The minutes of the last annual (29th) meeting were read in form and approved. I will read the proceedings of that meeting, to this effect:

(Mr. Randall then read the minutes of the preliminary meeting, held May 21st, 1915.)

The minutes of that meeting, as read, were approved by a vote of the Society.

The Secretary then read his formal report for the year, beginning with the annual meeting, May 30th, 1914, and closing with this meeting, September 24th, 1915.



## REPORT OF THE SECRETARY.

The twenty-ninth annual meeting of the Society was held May 30th, 1914, in the Society Building.

The report of that meeting is contained in full in stenographic report, in the minute book of the Secretary for 1914. The concise but complete synopsis of that report appears in the twenty-third annual volume of the Society, pages 380 to 408, inclusive. That report is in the hands of every member of the Society, and with it you are doubtless more or less familiar. I will not read the stenographic minutes in full, unless called upon so to do.

Following the proceedings of the annual meeting above noted, there was held on the afternoon of May 30th, in the rotunda of this building the exercises of dedication of the museum and library building. An extended report of the ceremonies and addresses on that occasion is likewise printed in the 23rd volume of the annuals of the Society, pages 325 to 380, inclusive.

The annual meeting of the trustees of the Society, as you know, is usually held immediately following the meeting of the Society, on the same day, but owing to the dedicatory exercises on May 30th, the annual meeting of the Trustees was postponed until June 29th (1914). A full account of that meeting is found on page 406, *et seq.*, 23rd volume of the Society publications.

Because of his removal from Chillicothe to Washington, D. C., as a place of residence, the Hon. Albert Douglas in May (1914) resigned from the Trusteeship of the Society, and the Trustees (at that annual meeting) elected Hon. Francis W. Treadway, of Cleveland, to the vacancy. At that meeting the standing committees were appointed by the President, as reported on page 408 of the published annuals.

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August 17, (1914) there was a meeting of the Finance Committee, at which Messrs. Bareis, Campbell, Wood and Randall were present. Mr. Ryan subsequently approved the action of the committee. Mr. E. F. Wood was authorized to act as the financial agent of the Society in receipting for funds received from the State, and in approving vouchers and warrants drawn on the auditor of state.

September 29, meeting of the Finance Committee; Present, Messrs. Campbell, Bareis, Ryan, Wood and Randall. Committee on Logan Elm Park was authorized to proceed with certain desired improvements at the park; to rebuild fence, restore inscriptions on Boggs Monument, etc. The Finance Committee elected Mr. Campbell chairman, and Mr. Randall secretary.

November 6, meeting of the Finance Committee. Present, Messrs. Campbell, Wood, Bareis and Randall. Also Curator Mills. The Budget of the Society for the financial years of 1915 and 1916 was considered,

and amounts desired for the various departments of the Society work agreed upon.

The preparation of the History of Ohio in the Civil War, by Col. W. L. Curry, was approved and its continuation endorsed. This work was begun by the Colonel in April, 1914, under recommendation of the Trustees of the Society, the endorsement of Governor James M. Cox, and in accordance with the special appropriation for that purpose in the sundry bill passed February 16, 1914. The item read as follows: "To provide for the publication of a history of Ohio in the civil war, \$1500.00. This amount to be expended under the direction of and by the Ohio Archaeological and Historical Society." (See page 213, vol. 104, Ohio Laws.)

In the proposed appropriation bills for 1915 and 1916, the Society asked for \$2,000 each year for this work. This the legislature granted in the regular appropriation bill passed May 27, 1915; making the appropriation \$2,000 for the fiscal year, July 1915 to June 1916, and the fiscal year July 1916 to June 1917. The item in the last bill reads as follows: "Author, 'Ohio in the Civil War' for payment in full for his complete work" — \$2,000. (See page 759, Vols. 105-106, Ohio Laws.) This matter of the retention of Col. Curry in this work was approved by the finance committee of the Society, subsequently by the Trustees of the Society, and favored by Governors Cox and Willis.

November 11, meeting of the trustees of the Society. Present, Messrs. Wright, Ryan, Prince, Schaus, Wood, Treadway, Bareis, Gallup, Hayes, Harper, Campbell, Randall and Curator Mills. Absent, Messrs. Yeagley, Thompson and Herrick.

Reports were received from the committees on Finance, Publication, Museum and Library, Fort Ancient, Hayes Memorial Building, Serpent Mound, and Logan Elm Park. The continuation and completion of the work by Col. Curry was approved.

Communication was received and read from the officials of the Ohio State Audubon Society, asking if Ft. Ancient, and all other properties of the Society could not be made game preserves. It was stated by the Secretary that all such properties were game preserves, as no hunting, disturbance or destruction of game would be permitted under state laws.

By motion of the Trustees the Curator was requested to open the museum of the main building to the public on Sundays, from 1:00 to 5:00 P. M. The employment of an assistant janitor for the museum and library building was authorized.

Col. Hayes reported that though the Hayes Memorial Building was not yet accepted by the Society from the contractor, portions of the Hayes Library had been moved in and stored, awaiting completion of the building; this, however, was done without prejudice to any rights, on the part of the Society concerning the acceptance of the building.

Mr. E. H. Archer, chairman of the Serpent Mound Committee,

reported by letter that he had visited the Mound on August 27th (1914), at the request of the Trustees. The property was found well cared for, and Daniel Wallace was commended for his faithfulness and efficiency as custodian. Certain improvements were suggested, such as building a new gateway at the entrance of the park, the placing of a new sign over the gateway, etc.

Report from Mr. Frank Tallmadge, chairman of the Logan Elm Park Committee was read. The property had been much improved and Mr. Jerry D. Estell, who resides on the adjoining property, had been made custodian at a salary of \$25.00 per year; his services to date from August 15, 1914. The flood of 1913 did much damage to the park, tearing away portions of the fence and cutting gulleys across the center of the park. These had all been repaired and the inscription on the Boggs Monument had been relettered. A good well had been dug, and fine water provided for the use of visitors, many of whom, from all parts of the state, daily visit the grounds. During the past few months Messrs. Tallmadge, Randall and Wood have inspected the property.

Treasurer Wood reported to the committee the budget of the Society, as agreed upon by the Finance Committee, explaining that there would be three appropriation bills introduced; one known as the partial bill would cover the period from February 15, 1915, to June 30, 1915; one for the year July 1, 1915, to June 30, 1916; and a third one for the year July 1st, 1916, to June 30, 1917. By this arrangement the fiscal year of the state was changed to extend from July 1st to June 30th, inclusive, instead of from February 15th to February 14th, as heretofore. He suggested that the fiscal year of the Society be changed to cover a similar period. The entire matter of the budget was referred to the Finance Committee.

November 13, meeting of the Finance Committee. Present, Messrs. Bareis, Ryan, Wood and Randall. Mr. Campbell necessarily absent.

Col. Curry was present and outlined his plans for the proposed "History of Ohio in the Civil War." It was to embrace two volumes of five or six hundred pages each; it was to be confined to the exploitation of Ohio in the war; the number of troops enrolled; the losses; the regiments; brigades, etc., engaged in the various battles and campaigns, the part played by the Ohio troops in the actions and engagements; the Ohio Generals, of whom there were two hundred and twenty-seven; the part of each, so far as worthy of notation, in the war; so that the reader could obtain from the publications put forth the extent and value of the services of the Ohio soldiers, sailors and officers in the great civil war. For many years Col. Curry has been gathering documents, books, pamphlets, letters and manuscripts, as material for this work. All material, at the close of his work, he will turn over to the Society. He is moreover in touch with the War Department at Washington, in order to get all necessary official documents.

In answer to a written inquiry Secretary Randall had received a

communication, dated November 19, 1914, from Mr. L. L. Faris, secretary of the Ohio State Civil Service Commission, to the effect that under authority of an opinion from the attorney general, the employes of the Ohio State Archaeological and Historical Society are not under civil service rules. The Society is a private corporation, and not a Department of the State, and in any event the libraries of the state are exempt as to their employes, which would practically exclude the employes connected with the museum and library building.

Mr. Frank Tallmadge reported to the Secretary he had secured quit-claim deeds from all the Boggs heirs, to the piece of ground covered by the Boggs Monument, in Logan Elm Park. These the Secretary of the Society had recorded at the Court House in Circleville. This gives the Society a clear title to the entire park, including the grounds and Boggs monument.

There were no meetings of the Trustees or committees after the assembling of the legislature until the call for the annual meeting to be held May 21st, 1915. During this period the affairs of the Society were cared for by the officers of the Society and the Finance Committee. There was no necessity for any formal meetings, as the finances of the Society were provided for by the regular appropriation bill for 1914 to 1915—that is to February 15, 1915; and the partial appropriation bill which covered the period from February 15, to June 30, 1915.

The Secretary, Treasurer and Curator, at various times appeared before the Budget Commissioner, W. O. Heffernan, and his successor, E. M. Fullington, and before the Finance Committee of the House, of which Mr. Frank H. Reighard, of Fulton County, was chairman.

In addition to the above the sundry appropriation bill for 1915 contained the following item: "Archaeological and Historical Society, for printing and distributing archaeological reports \* \* \* \$8,500."

The conferences of the Secretary, representing the Society, with the Finance Committee of the Senate, of which Hon. Jacob J. Wise was the chairman, were very satisfactory to the Society, the latter committee accepting the appropriations as made by the committee of the House and passed by that body.

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As to publications. An appropriation was made by the special session (April, 1914) of the Eightieth General Assembly, of \$7,500.00 for reprinting the annual reports of the Society for distribution to the members of the legislature; those volumes were republished by the Fred Heer Printing Company, and sent to the various members in January, 1915. Each member received five complete sets. This publication was delayed, as the bill did not pass until April, (1914) and ninety days were required before the appropriation became effective, and several months were required for the publishing. Before these sets were shipped the Secretary of the Society mailed a circular to each member of the 80th



General Assembly, requesting that the publications, as far as possible, be supplied to the institutions of learning, public libraries and schools.

Volume 23, for 1914, was duly completed in the October Quarterly for that year, and has been published as a separate volume. The Quarterlies for January, April and July, 1915, have been issued and distributed.

Secretary Randall in the early part of the year 1914, began a correspondence with parties resident in Tuscarawas county, concerning the purchase by the State of the site of Ft. Laurens, near the town of Bolivar. Fort Laurens, it will be recalled, is the historic fort erected by orders of Washington during the Fall of 1778. It has long been the desire of our Society to see this site secured and the event thereon occurring commemorated by a monument. Members of the D. A. R. in Tuscarawas and adjoining counties took up the matter, and started petitions both to Congress and the Ohio Legislature, for appropriations to secure this site. Trustee J. W. Yeagley interested himself in the project. In the present, Eighty-first General Assembly, Senator Elmer E. Vorhies, of Cambridge, and Oscar M. Hines, member of the House from Tuscarawas county, championed the matter. Mr. Hines introduced the bill, known as House Bill 252, which provides the appropriation of \$5,500.00 by the State, for the securing of the site, title to be in the State of Ohio, and the property to be under the custodianship of the Ohio State Archaeological and Historical Society. The bill provided for a Committee of five to be appointed for the securing of the property—two to be appointed by the speaker of the House, two by the speaker of the Senate and one by the Governor. Lieutenant Governor Arnold appointed Mr. Morris Moody, Uhrichsville and Senator Elmer E. Vorhies, Cambridge; Speaker Conover appointed Oscar Hines, Dennison, and D. F. Lash, Bolivar, and the Governor appointed Wilson A. Korn, New Philadelphia. By this action the Society will come into the practical possession of one of the most historic sites in the state.

During the past two years Secretary Randall has had conferences and correspondence with Hon. Wm. C. Colter, formerly member of the legislature from Lucas county, concerning the transfer of the custodianship of Ft. Meigs from the State Commission, under which it is now managed, to the custodianship of our Society.

It is thought by nearly all parties interested, that the custodianship of this property should be placed in the Ohio State Archaeological and Historical Society. It could be more easily and better handled, as being pertinent to the aims and purposes of our Society, and economy to the state would be secured, as the Society has all of the machinery for the care and protection of such properties.

Mr. Colter and the Secretary had interviews with Governor Cox in regard to this matter, and the latter was in favor of the transfer, and it would probably have been accomplished had the Governor been retained in office. This is a subject that should have the special attention of our



Society, as it is exceedingly desirable that we secure control of the Ft. Meigs site.

Another historic site that has been under discussion with reference to its being secured by the society, is that known as the Schoenbrunn Spring site, near Goshen, Tuscarawas county. This was the spring used by the Moravians in their first settlement in Ohio, and the location of which determines the site of the first Moravian village. Concerning this topic, Mr. Apollo Opie, District Tax Assessor for Tuscarawas county, has been most active. He has visited Columbus twice, concerning the matter, and held interviews with Governor Cox, Trustee Campbell and Secretary Randall. At the time of the Zeisberger Centennial it was understood by the officers of our Society that the city of New Philadelphia would secure the property and place it in charge of our Society, but that plan was never carried out. This subject is worthy of the consideration of the committee, of our Society, on historical sites.

On July 15, (1915), Trustees Ryan, Campbell and Randall visited Cincinnati, and by prearrangement met, at the rooms of the Cincinnati Business Men's Club, a committee of gentlemen selected from that Club, which committee is known as the William Henry Harrison Memorial Association, of which Mr. Rutherford Hayes Cox is secretary. The Columbus Committee was entertained by the members of the Association and by them conveyed to North Bend, at which place is located the neglected grave of William Henry Harrison, first President of the United States from Ohio. The purpose of the Harrison Memorial Association is to secure means with which to erect a suitable tomb and monument for this distinguished Ohioan. The Harrison Commission have already brought the matter before Congress, in hopes of getting an appropriation from that body. But they very much desired the cooperation of our State Society, and hope that we assist in any way that we can. Colonel Russell Harrison, son of President Benjamin Harrison, and great-grandson of William Henry Harrison, came from his home in Indianapolis to be present at this meeting in Cincinnati, and accompanied us to North Bend. He is now engaged in securing title to the property site of the present tomb, from all the heirs interested, in order that title can be transformed either to the Government or the State of Ohio, as may be determined, when proper appropriations are secured. It is suggested that a permanent committee on this subject be appointed by our Society, to act with the Cincinnati Commission, in this project.

It will be recalled that when the appropriation for the Museum and Library Building by the Finance Committee of the legislature (1912) was made, it was agreed by the officers of the Society with the Finance Committees, that when the building was completed the relic-room now in the State House might be removed, as to its contents, to this building. When the time came for such removal, however, it was found that there was serious objection by the old soldiers to the removal of the flags from the State House, and the matter lay in abeyance, with more or less

agitation, until the present legislature, which made an appropriation of \$15,000 for the provision of cases to be erected in the rotunda of the State House, as a receptacle for the flags. This whole matter is in the hands of a committee of which Adjutant General Hough, and Colonel W. L. Curry of our Society, are members.

Supplemental to the report of Mr. Tallmadge on the Logan Elm Park, submitted at the preliminary annual session, it should be stated that Prof. William R. Lazenby, of the Department of Forestry, O. S. U., had been requested to visit the Logan Elm, and see what, if anything, could be done toward the preservation of the tree. Prof. Lazenby made that visit some three weeks ago, and reported that he thought some surgical work upon the tree, not to exceed \$35 in cost, would accomplish the purpose. Mr. Lazenby was authorized to make such "surgical operation".

The Secretary called attention to the special appropriation in the sundry bill, by the present legislature, of \$8,500.00, for the reprinting of the volumes of the Society, from one to twenty-three, inclusive. This item read as follows:

"Archaeological and Historical Society for printing and distributing archaeological reports, \$8,500.00".

On motion and vote the report of the Secretary was accepted and ordered placed on file.

The report of the Treasurer was then submitted, as follows:

# ANNUAL REPORT OF THE TREASURER

COVERING 14 MONTHS, FROM MAY 1, 1914, TO JULY 1, 1915.

## RECEIPTS.

Balance on hand May 1, 1914.....	\$1,983 02
Life Membership Dues.....	1,605 00
Active Membership Dues.....	93 00
Subscriptions .....	30 00
Books sold .....	230 56
Interest on Permanent Fund.....	624 59
Broken Glass .....	1 73
Waste paper sold.....	2 45
Refunded by the Dawson Construction Co.....	3 05
Refunded by the Columbus Horticultural Society.....	3 19
From Webb C. Hayes for cases for Hayes Memorial Library Building.....	8,132 50
From State Treasurer on Appropriations.....	35,523 34
Total receipts .....	<u>\$43,232 43</u>

## DISBURSEMENTS.

Care Big Bottom Park.....	\$37 00
Care Ft. Ancient Park.....	40 02
Care Serpent Mound Park.....	20 13
Spiegel Grove Park.....	1,768 12
Logan Elm Park.....	241 21
Express, Freight and Drayage.....	147 15
Expenses of Trustees and Committees.....	481 93
Field Work .....	382 20
Postage .....	209 76
Expense of Lecturers.....	40 06
Premium on Treasurer's bond.....	15 00
Auditing .....	40 00
Clerical and stenographic work.....	38 00
Incidental expenses .....	41 45
Telephone rentals .....	84 85
Account Museum and Library Bldg.....	297 55
Museum and Library.....	36 00
Supplies .....	330 10
Building repair and upkeep.....	42 79
Cement walks around building.....	316 25
Building equipment .....	1,888 79
Museum equipment .....	504 83
Library equipment .....	1,520 14
Fire insurance .....	156 40
Heat, Light and Power.....	1,850 80
Publications .....	3,056 15
Reprinting Publications .....	7,500 00
Personal service .....	13,052 14
Hayes Memorial Library and Museum Bldg.....	4,695 45
Transferred to Permanent Fund.....	2,230 00
Refunded to State Treasurer.....	20 46
Balance on hand July 1st, 1915.....	2,147 82
Total disbursements .....	\$43,232 43

Respectfully submitted,

(Signed) EDWIN F. WOOD,  
Treasurer.

The permanent fund now amounts to..... \$11,670 00

# AUDITOR'S REPORT.

The report of the Auditor was then called for. Said report is as follows:

COLUMBUS, OHIO, September 3, 1915.

*The Ohio State Archaeological and Historical Society, Hon. E. O. Randall, Secretary, Columbus, Ohio.*

DEAR SIR:— Having completed the examination of the books of your Treasurer, Mr. E. F. Wood, for the period May 1, 1914 to June 30, 1915, inclusive (14 months), we beg to submit report of same containing statements and schedules setting forth the financial transactions for the period and the financial condition at June 30, as follows:

- Page 1. Trial Balance as at June 30, 1915.
- Page 2. Statement of Cash Receipts and Disbursements for period.
- Page 3. Statement of Appropriations for period.
- Page 4. Schedule of Appropriations for period February 16, 1915 to June 30, 1915.
- Page 5. Schedule of Expenditures from Appropriations other than through Treasurer's Cash Account.

The Cash Balance herein stated, is supported by the balance reported by Bank as per reconciliation of balances at bottom of page 2. All disbursements of cash have been by check signed by a Vice President and Secretary of the Society. A statement from the office of the Auditor of State supports the appropriation balances herein shown.

We have examined the certificates of deposit representing the permanent fund and find same to be on hand as represented.

We find the books of the Treasurer in good condition, being carefully and accurately kept.

Very respectfully submitted,

(Signed) . . . J. J. McKNIGHT,

*Certified Public Accountant.*

## POST CLOSING TRIAL BALANCE JUNE 30, 1915.

<i>Fol.</i>		<i>Dr.</i>	<i>Cr.</i>
4	State Treasurer.....	\$3,221 86	
	Appropriations:—		
10	Personal Service A-3 .....		\$50 00
11	Personal Service A-1 .....		50 00
17	Maintenance .....		126 92
24	Equipment E-9 .....		45 46
27	Fixed Charges— Insurance .....		50
31	Hayes Commemorative Library & Museum Building .....		2,393 27

<i>Fol.</i>		<i>Dr.</i>	<i>Cr.</i>
32	Additions and Betterments —		
	Walks Front Museum.....		3 75
34	Open Order Service F.....		551 96
51	Cash .....		2,147 82
59	E. F. Wood Treasurer.....	2,147 82	
112	Investments .....	11,670 00	
127	Permanent Fund .....		11,670 00
		<hr/>	<hr/>
		\$17,039 68	\$17,039 68

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS FOR PERIOD  
(CURRENT FUNDS.)

MAY 1, 1914, TO JUNE 30, 1915 INCLUSIVE (14 MONTHS).

Balance — May 1, 1914..... \$1,983 02

RECEIPTS.

Life Membership Dues .....	\$1,605 00	
Active Membership Dues.....	93 00	
Subscriptions .....	30 00	
Books sold .....	230 56	
Interest .....	624 59	
Webb C. Hayes — Cases for Hayes Commemo- rative Library and Museum .....	3,132 50	
Dawson Construction Co. — Services of Society's Janitor .....	3 05	
Columbus Horticultural Society — Refund.....	3 19	
Payment for broken glass in building.....	1 73	
Waste paper sold .....	2 45	
	<hr/>	
	\$5,726 07	
From State Treasurer on Appropriations as per Schedule on Page 3.....	35,523 34	41,249 41
	<hr/>	<hr/>
		\$43,232 43

DISBURSEMENTS.

Transferred to Permanent Fund.....	\$2,230 00
Care and Upkeep —	
Big Bottom Park.....	37 00
Fort Ancient Park.....	40 02
Serpent Mound Park.....	20 13
Spiegel Grove Park.....	1,768 12
Logan Elm Park.....	241 21
Express, Freight and Drayage.....	147 15



Expense of Trustees and Committees.....	481 93	
Field Work .....	382 20	
Postage .....	209 70	
Reprinting Publications .....	7,500 00	
Publications .....	3,056 15	
Sundry Expenses .....	174 45	
Salaries .....	13,052 14	
Telephone Rentals .....	84 85	
Museum and Library Building.....	297 55	
Hayes Commemorative Library and Museum Building .....	4,695 45	
Water Rent—Museum and Library.....	36 00	
Heat and Light—Museum and Library bldg....	1,850 80	
Supplies .....	330 10	
Library Equipment .....	1,520 14	
Museum Equipment .....	504 83	
Building Equipment .....	1,888 79	
Building Repairs and Upkeep.....	42 79	
Cement Walks Museum and Library Bldg.....	316 25	
Fire Insurance .....	156 40	
Architects Fees Refunded to State Treasury....	20 46	41,084 61
		<hr/>
Balance, June 30, 1915.....		\$2,147 82
		<hr/>
		\$43,232 43
Balance Capital City Bank per pass book.....	\$2,156 43	
Less — Checks outstanding —		
No. 1634 .....	\$8 20	
No. 1637 .....	41	8 61
		<hr/>
		\$2,147 82

STATEMENT OF APPROPRIATIONS FOR PERIOD, MAY 1, 1914, TO  
JUNE 30, 1915, INCLUSIVE.

	Balance May 1, 1914.	Amount Appropri- ated During Period.	Total Appropri- ations.
Personal Service A-1 Salaries..	\$8,811 67	\$4,735 00	\$13,546 67
Personal Service A-3 Unclassi- fied .....		250 00	250 00
Maintenance C-4 Office Sup- plies .....	83 97	85 00	168 97
Maintenance C-9 Botanical and Agricultural .....		100 00	100 00

STATEMENT OF APPROPRIATIONS FOR PERIOD, MAY 1, 1914, TO  
JUNE 30, 1915, INCLUSIVE — Continued.

	<i>Balance May 1, 1914.</i>	<i>Amount Appropri- ated During Period.</i>	<i>Total Appropri- ations.</i>
Maintenance C-11 General Plant Supplies .....	2,595 12	895 00	3,490 12
Maintenance E-8 Educational and Rec. Epqt. ....		400 00	400 00
Maintenance E-9 General Plant Epqt. ....	1,701 77	1,840 00	3,541 77
Open Order Service F-1 Gen- eral Repairs .....		160 00	160 00
Open Order Service General..	2,308 00		2,308 00
Open Order Service F-3 Water		36 00	36 00
Open Order Service F-4 Light, Heat and Power.....		740 00	740 00
Open Order Service F-6 Trans- portation .....		225 00	225 00
Open Order Service F-7 Com- munication .....		25 00	25 00
Open Order Service F-9 Gen- eral Plant Service.....		350 00	350 00
Additions and Betterments— G-3 Non-Structural Imp. Cement Walks Front Museum .....	124 92	320 00	444 92
Additions and Betterments— Bldg. for Museum and Library .....	177 51		177 51
Additions and Betterments— Hayes Com. Library.....	16,073 43		16,073 43
Care Spiegel Grove Park—and Hayes Com. Library.....	1,174 75		1,174 75
Fixed Charges H-7 Insurance.	144 00	45 00	189 00
Field Work Ft. Ancient, Ser- pent Mound and L. E. Park .....	224 06		224 06
To provide for publication of a History of Ohio in the Civil War .....		1,500 00	1,500 00
Reprinting Publications 1 to 21 inclusive .....		7,500 00	7,500 00
	<hr/> \$33,419 20	<hr/> \$19,206 00	<hr/> \$52,625 20

STATEMENT OF APPROPRIATIONS FOR PERIOD, MAY 1, 1914, TO  
JUNE 30, 1915, INCLUSIVE—Continued.

	<i>Amount Lapsed Feb. 15, 1915.</i>	<i>Cash Drawn From State Treasurer.</i>	<i>Direct Payment by State Treasurer.</i>
Personal Service A-1 Salaries.	\$62 53	\$13,424 14	
Personal Service A-3 Unclassified .....		200 00	
Maintenance C-4 Office Supplies .....		165 62	
Maintenance C-9 Botanical and Agricultural .....		100 00	
Maintenance C-11 General Plant Supplies .....		3,366 55	
Maintenance E-8 Educational and Rec. Epqt. ....		400 00	
Maintenance E-9 General Plant Epqt. ....	28	3,496 03	
Open Order Service F-1 General Repairs .....		109 22	
Open Order Service, General..	3 33	2,304 67	
Open Order Service F-3 Water		27 70	
Open Order Service F-4 Light, Heat and Power.....		353 55	
Open Order Service F-6 Transportation .....		131 77	
Open Order Service F-7 Communication .....		15 63	
Open Order Service F-9 General Plant Service.....		346 17	
Additions and Betterments—G-3 Non-Structural Imp. Cement Walks Front Museum .....	4 88	436 29	
Additions and Betterments—Bldg. for Museum and Library .....		177 51	
Additions and Betterments—Hayes Com. Library.....		1,407 91	12,272 25
Care Spiegel Grove Park and Hayes Com. Library.....	4 63	1,170 12	
Fixed Charges H-7 Insurance.	32 10	156 40	

STATEMENT OF APPROPRIATIONS FOR PERIOD, MAY 1, 1914, TO  
JUNE 30, 1915, INCLUSIVE—Continued.

	<i>Amount Lapsed Feb. 15, 1915.</i>	<i>Cash Drawn From State Treasurer.</i>	<i>Direct Payment by State Treasurer.</i>
Field Work, Ft. Ancient Ser- pent Mound and L. E. Park .....		224 06	
To provide for publication of a History of Ohio in the Civil War .....	62 50		1,437 50
Reprinting Publications 1 to 21 inclusive .....		7,500 00	
	<hr/> \$170 25	<hr/> \$35,523 34	<hr/> \$13,709 75
		<i>Total With- drawals.</i>	<i>Balance June 30, 1915.</i>
Personal Service A-1 Salaries.....	\$13,496 67		\$50 00
Personal Service A-3 Unclassified.....	200 00		50 00
Maintenance C-4 Office Supplies.....	165 62		3 35
Maintenance C-9 Botanical and Agricultural Maintenance C-11 General Plant Supplies..	100 00		
Maintenance E-8 Educational and Rec. Epqt.	3,366 55		123 57
Maintenance E-9 General Plant Epqt. ....	400 00		
Open Order Service F-1 General Repairs...	3,496 31		45 46
Open Order Service, General.....	109 22		50 78
Open Order Service F-3 Water.....	2,308 00		
Open Order Service F-4 Light, Heat and Power .....	27 70		8 30
Open Order Service F-6 Transportation....	353 55		386 45
Open Order Service F-7 Communication...	131 77		93 23
Open Order Service F-9 General Plant serv- ice .....	15 63		9 37
Additions and Betterments G-3 Non- Structural Imp. Cement Walks Front Museum .....	346 17		3 83
Additions and Betterments, Bldg. for Museum and Library .....	441 17		3 75
Additions and Betterments, Hayes Com. Library .....	177 51		
Care Spiegel Grove Park and Hayes Com. Library .....	13,680 16		2,393 27
	1,174 75		

STATEMENT OF APPROPRIATIONS FOR PERIOD, MAY 1, 1914, TO  
JUNE 30, 1915, INCLUSIVE—Concluded.

	Total With- drawals.	Balance June 30, 1915.
Fixed Charges H-7 Insurance.....	188 50	50
Field Work, Ft. Ancient, Serpent Mound and L. E. Park.....	224 06	
To provide for publication of a History of Ohio in the Civil War.....	1,500 00	
Reprinting Publications 1 to 21 inclusive..	7,500 00	
	<hr/>	<hr/>
	\$49,403 34	\$3,221 86

RECAPITULATION OF TOTALS.

Total Balances May 1, 1914.....	\$33,419 20	
Amounts Appropriated during period.....	19,206 00	
	<hr/>	
Total Appropriations .....		\$52,625 20
Amount Lapsed Feb. 15, 1915.....	170 25	
Cash drawn from State Treasurer.....	35,523 34	
Paid on Committee's Estimate.....	13,709 75	
	<hr/>	
Total Withdrawals .....		\$49,403 34
		<hr/>
Total Balances June 30, 1915.....		\$3,221 86

SCHEDULE OF APPROPRIATIONS FEBRUARY 16, 1915, TO JUNE 30,  
1915, LAWS OF OHIO 105-106, PAGE 40, H. B. NO. 314.

Personal Service:—

A-1 Salaries:—

Curator .....	\$937 50
Assistant Curator .....	487 50
Secretary .....	375 00
Librarian .....	307 50
Stenographer .....	262 50
Caretakers, Janitors, etc.....	1,615 00
Author of "Ohio in the Civil War".....	750 00

A-3 Unclassified:—

Workmen Spiegel Grove Park.....	200 00
Lecturer .....	50 00

Total Personal Service.....	\$4,985 00
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## SCHEDULE OF APPROPRIATIONS, ETC.—Concluded.

## Maintenance:—

## C Supplies:—

C-4 Office .....	\$85 00	
C-9 Botanical and Agricultural...	100 00	
C-11 General Plant .....	895 00	\$1,080 00

## E Equipment:—

E-8 Educational and Recreational Books, Manuscripts, Maps etc. ....	400 00	
E-9 General Plant, Steel Shelv- ing, shades, exhibition Cases, etc. ....	1,840 00	2,240 00

## F Contract or Open Order Service:—

F-1 General Repairs .....	160 00	
F-3 Water .....	36 00	
F-4 Light, Heat and Power....	740 00	
F-6 Transportation .....	225 00	
F-7 Communication .....	25 00	
F-9 General Plant Service.....	350 00	1,536 00

## G Additions and Betterments:—

G-3 Non-Structural Improve- ments:—cement walks front Museum .....	320 00	
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## H Fixed Charges and Contributions:—

H-7 Insurance .....	45 00	
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Total Maintenance .....	\$5,221 00	
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Total Appropriation .....	\$10,206 00	
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(The aggregate of the two sums, Total Personal Service and Total Maintenance amounts to \$10,206.00—EDITOR.)

SCHEDULE OF EXPENDITURES FROM APPROPRIATIONS OTHER THAN  
THROUGH TREASURER'S CASH ACCOUNT, MAY 1, 1914,  
TO JUNE 30, 1915.

FROM APPROPRIATION FOR HAYES COMMEMORATIVE  
LIBRARY AND MUSEUM BUILDING.

1914.

June 9.	H. C. L. & M. Bldg. Estimate No. 7, Bldg. Com...	\$2,348 40
June 9.	H. C. L. & M. Bldg. Howard & Merriam, Arch...	46 97
June 9.	To Rest. Arch. Features and Furn. in H. C. L. & M. Bldg. Estimate No. 2, Bldg. Com.....	840 75
June 9.	H. C. L. & M. Bldg. Howard & Merriam, Arch....	16 81

1915.

Jan. 11.	H. C. L. & M. Bldg. Estimate No. 8, Bldg. Com.	2,557 40
Jan. 11.	H. C. L. & M. Bldg. Howard & Merriam, Arch..	51 14
May 14.	H. C. L. & M. Bldg. Steinle Constr. Co. Est. No. 3 .....	2,683 75
May 14.	H. C. L. & M. Bldg. Steinle Constr. Co. Est. No. 9 .....	3,621 40
May 14.	H. C. L. & M. Bldg. Howard & Merriam, Arch..	53 67
May 14.	H. C. L. & M. Bldg. Howard & Merriam, Arch..	72 42

12,292 71

Less-Refund Architects Fees..... 20 46

12,272 25

From Appropriation to Provide for the Publication of a  
History of Ohio in the Civil War:—

W. L. Curry, Author. Salary..... \$1,437 50

Total ..... \$13,709 75

REPORT OF THE CURATOR AND LIBRARIAN.

During the period from May 1st, 1914, to June 30th, 1915, the time of the Curator and Librarian has been spent in looking after and caring for the Museum and Library and carrying on field explorations.

The greater part of the year has been spent by the Museum force in aranging labeling and cataloguing the collections in the Museum and Library. The large number of private collections secured by gift and by purchase has increased our collections greatly.

At the present time, we find that we need more case room and are without sufficient funds for this purpose. In the short budget we were granted money for the securing of cases, but we found that the unexpected came about in our library. when the Gard collection of something like

4000 volumes was presented to us and we were compelled to expend our funds to secure cases to take care of these volumes, instead of devoting the money to the purchase of museum cases.

The Curator was notified that the historical relics, but not the flags, in the relic room in the State House would be transferred to the Society Building within the year 1915 and I understand that steps have now been taken by a Commission appointed by the Governor, to select cases to care for the flags to be placed in the rotunda of the Capitol, and as soon as this is done, the relics will be turned over to the Society to be cared for and become the property of the Society.

At the last annual meeting, I asked the Society to secure the services of an assistant janitor; this was granted, and we were able to secure a very excellent young man, Mr. William Fleischer, who has been filling the place with great credit to himself. At the last annual meeting, the matter of laying out the grounds was taken up and the proposition of the Columbus Horticulture Society was accepted. The Columbus Horticulture Society has carried out its plans in a most commendable manner. The legislature appropriated \$100 for shrubbery and grass seed, to be used in building lawns. The shrubbery and grass seed amounted to something like \$120. The extra \$20 was paid by the Columbus Horticulture Society. As you perhaps all know the surroundings of the building a year ago were not very pleasant to look upon, as brick and stone and mortar were prevalent everywhere and we were lacking a great deal of earth to make the necessary fills in front, as well as in the back of the building. This has all been taken care of by securing the necessary earth for filling in the back of the building. We had some trouble in getting water so that it could be available for use in taking care of the plants, and also the grass that was started. Without an appropriation, our superintendent of the building, Mr. Starling Eaton, took it upon himself to put in the necessary plumbing required for carrying the water to the front. This he did at a minimum expense for material and we now have the water available for every part of the grounds. If any part of the plumbing needs repair (and you all know in a large building like this, that some part of it is usually out of order) Mr. Starling Eaton and Mr. John Gill, the janitor, take care of it themselves without any expense to the Society.

During the year we have installed a fire apparatus on each floor and we have also installed a fire alarm system, by which an alarm ring from the office brings every available man about the building to the fire apparatus. We also have a fire drill for the use of the hose should an emergency arise. I wish to emphasize the fact, that this building, with its wonderful collection of specimens and books, needs a night watchman. Probably it might be arranged with the University to have a night watchman who would go through the building every hour during the night and report.

During the year, the Curator had installed a new private telephone system reaching every part of the building.

We have now installed in the vaults, the necessary shelf room and lockers, to be used for the care of valuable material.

The International Congress of Americanists, which was to have met here during the past year, was compelled to cancel the meeting in the United States, on account of the war, as many of the members were foreigners and would have been unable to reach the United States with safety. So the meeting was postponed indefinitely.

In my last report, I recommended that the Museum be open on Sunday afternoons. It was so ordered by the Trustees and the plan has certainly been a great success, as many of our citizens have come here to spend Sunday afternoons in looking over the Museum. We have heard nothing but words of commendation on every hand. I find that the number of visitors is constantly increasing and that the number of visitors is constantly increasing and that our Sunday attendance equals the total attendance of the week days. Also, that on Sundays, we have visitors from other cities. In nice weather when they can come to the city in automobiles, they come from distant places—Marion, Upper Sandusky, Mt. Vernon, Mansfield, London, Springfield, Dayton, Chillicothe and Logan, and indeed from all of the small towns within a radius of fifty to seventy-five miles from Columbus.

During the time from May 1, 1914, to June 30th, 1915, the following collections have been added to the Museum:

Mr. B. C. Kelsey, formerly of Columbus, now of New York, has placed his archaeological collection in the Museum. It consists for the most part of specimens secured in Franklin and adjoining counties, especially Licking county.

Mrs. M. E. Merion presented a small collection of archaeological specimens found upon her farm, one mile south of Columbus.

The Curator of the Museum presented his private collection of fabrics, consisting of many hundred specimens of textiles, both foreign and domestic.

Mr. C. H. Crumley, Lithopolis, presented a small collection of archaeological specimens secured in Franklin county.

Mr. G. M. Finckel added to his collection in the Museum a number of archaeological specimens from the vicinity of Columbus.

Mr. F. W. Flory, Covington, presented a small collection from Miami county. This collection was found, for the most part, upon his farm.

Mr. David M. Carr, Washington C. H., presented his archaeological collection, found in Fayette county. During the year Mr. Carr has added a number of specimens collected in the vicinity of his residence.

Mr. Clinton Cockerell, Bourneville, Ross county, deposited his large collection of archaeological artifacts, found in the vicinity of his home, and which has been gathered for more than a half a century. The collection is very large and rich in slate and flint pieces.

Mr. L. D. Reynolds, Rich Hill, Knox county, presented through Mr. Buck, our member from Delaware county, a cache of 72 notched spear points and an unfinished granite ceremonial.

Mr. J. B. Hill, Orient, Pickaway county, presented a small collection of specimens found on his farm, two and one-half miles southwest of Orient. In this collection is a very fine banner-stone and a number of excellent pieces in flint and stone.

Mr. J. W. Lawrence, Worthington, placed in the Museum a collection of Chiriguian specimens from Panama and Guatemala. This collection consists of 193 pieces of pottery and objects made of stone, copper and gold to the number of 243.

The Museum secured by purchase from Mr. Paul Esselborn, Portsmouth, 59 specimens, from the Hill Top mound located within the city limits of Portsmouth. The specimens consist of a fine platform pipe; a celt of jade; an antler-of a deer with a tooth of the beaver inserted which served as a cutting tooth, besides a number of bone, shell and flint objects.

Mr. Almer Hegler, Washington C. H., added to his large collection three different consignments consisting of hematite specimens, pipes and flint implements of various kinds.

Mrs. Eliza House, Briggsdale, presented a small collection of archaeological specimens collected by her husband, the late W. C. House. These specimens were collected by Mr. House on his farm.

Mrs. Belle McKinley, Harrisburg, presented a small collection of specimens collected by her husband, the late Dr. J. B. McKinley. These specimens were collected upon his farm, one mile north of Harrisburg.

Mr. Seymour McKinley, Harrisburg, presented a small collection of archaeological specimens found upon his farm.

Mr. Carl J. Drake, Tiffin, now of the Department of Zoology, O. S. U., presented a small collection of stone and flint specimens found in Eden, Clinton, and Hopewell townships, Seneca county.

Mr. R. W. Smith of Westerville, presented the collection owned by his father, the late Dr. I. N. Smith. This collection contains a very fine calcite bannerstone and flint objects.

Mr. J. H. Smith, Columbus, presented an unusual powder flask and a complicated lock.

Mrs. L. M. Rannells, McArthur, presented one old fashion box-stove; two old spinning wheels; 1 pair of old leather saddle bags and one old carpet bag.

Mr. Wilbur Stout, Sciotovalle, added another collection of several hundred stone and flint pieces to his collection.

Mr. W. W. Knoop, Casstown, presented a small archaeological collection, found upon his farm.

Mr. S. M. Harbaugh, Casstown, presented a small collection of archaeological specimens collected in the vicinity of his home.



Mr. H. G. Harbaugh, Casstown, presented a small collection of archaeological specimens collected in the vicinity of Casstown.

Mr. Alva Kendall Overturf, Columbus, presented a small collection of archaeological specimens, including a fine animal pipe and other excellent specimens found in the Scioto valley.

Mr. Overturf also presented the surveying compass of Governor Lucas; spurs and watch chain of General Anthony Wayne; pipe smoked by the Indians at the Treaty of Greenville and a number of war and colonial relics.

Mr. H. C. Shetrone, Assistant Curator, secured the lower jaw and tooth of a mastodon, dug up three miles northeast of Troy on the Wheeler farm.

Mr. H. R. Ferris, Troy, presented a quantity of charred corn found in a mound near Loveland.

Mrs. Crow, Troy, presented grooved axe found in the vicinity of Troy.

Mrs. F. R. Lucas, Troy, presented a drap flint blade, seven inches long.

Dr. T. M. Wright, Troy, presented a number of bones of a human skeleton.

Mrs. George Suydam, Columbus, presented a colored picture of the wood duck.

Miss Jeanette Latham, Columbus, presented a brick from the first church at Jamestown, Va., secured in 1890 by her brother, Mr. John S. Latham, Delaware.

Mrs. Samuel H. Peterman, Mt. Vernon, presented an old Union Party Ticket, 1865.

Mr. Glen D. Critton, Millersport, presented a small collection of stone and flint implements.

Messrs. Harry E. and Walter W. Richter, Columbus, presented the collection of their father, the late Henry Richter. The specimens consist of a number of archaeological arti-facts found in the vicinity of Columbus. They also presented a fine collection of military and historical specimens.

The B. F. Chapter, S. A. R., through Col. W. L. Curry, presented to the Society a pair of gloves worn by Dr. Caldwell while acting as pallbearer at the funeral of Benjamin Franklin, April 20, 1790.

Mr. H. P. Legg, Columbus, presented a large collection of Philippine curios, collected during his sojourn in the Phillipines. This collection is rich in all form of knives and war implements used by the native Filipinos.

The Museum purchased from Mr. J. F. Moley, Olmstead Falls, a collection of Archaeological specimens collected in the northern part of Ohio. This collection contains many specimens of the old Iroquoisain culture.

Received through exchange with Mr. J. W. Lowrie, Ravenna, 1 spine-back amulet; one fluted celt.

Received in exchange with Mr. L. W. Klein, of Ravenna, one flinted celt; 1 unfinished crescent.

Mr. R. M. Pemberton presented two old Philippine lamps and one copy of Virgil.

Professor A. M. Schlesinger, Columbus, presented two old papers pertaining to colonial times.

An exchange was made with Mr. F. M. Benner, Lisbon, for a spine-back gorget and other specimens.

Mr. R. B. Heacock, Lisbon, loaned a small collection of archaeological specimens.

Received from Mr. W. M. Knox, Youngstown, a number of specimens of archaeological interest, consisting of pipes, stone and flint implements.

Mr. J. W. Dowler, Troy, presented the tooth of a mammoth found one mile south of Bradford.

Mr. George D. Clinger, Columbus, loaned a collection of stone and flint implements.

Mr. Wm. L. Drake, Tiffin, presented a collection of ten pioneer objects, consisting of spinning wheels and carding machines, etc.

Mr. J. W. Lawyer, Granville, presented a pioneer sausage stuffer and bullet ladle.

Prof. J. A. Sample, Perrysville, loaned a copy of Church's Pequot War, 1843.

Mr. David Babst, Crestline, presented a copper nugget weighing 10 lbs.; one celt banner stone and an old iron bridle-bit and nail from Cranestown.

Mr. Paul Smith, Upper Sandusky, presented a fluted celt and three copper and iron spear points, all from an old Indian town site four miles southeast of Upper Sandusky.

Mr. Clay Barnes, Waverly, presented a mounted specimen of wild pigeon.

Mr. D. G. Gard, Columbus, presented a small collection of archaeological specimens which include arti-facts, washed from a mound at Addison, Gallia county, by the flood of 1884.

Mr. Gard also presented a collection of historic and pioneer relics.

Mrs. William G. Deshler loaned a pair of silk stockings and a tin sand box, formerly belonging to Colonel James Kilbourne; two silk bags, belonging to Mrs. C. G. Kilbourne.

Miss Betsy Kauffman loaned a pair of saddle bags, used in the Civil War by Colonel Charles Goulding.

Mr. C. J. Byron presented an old Spanish sword and square of bunting with Spanish coat-of-arms, and a pair of rope slippers, which he secured in Porto Rico during the Spanish-American War.

Secured by purchase from Mrs. E. A. Clark, Wyndham, Portage county, an archaeological specimen of great interest, representing a type of bird stone.

Mr. F. H. Heskett presented a pair of saddle bags used by Reverend A. S. Mathews, Marion county, about 1846.

Dr. Ernest Schueller presented the coin collection owned by his father, the late Dr. T. B. Schueller.

Mr. K. P. Pruden, Sidney, a number of bullet moulds found under the first house built in Shelby county. The house is located four miles south of Sidney.

Mrs. W. A. Foster, Columbus, loaned a pair of old andirons more than 100 years old, used by the Wright family; also an old German Catechism.

Mrs. Vanatta, Columbus, presented an old Wedgewood teapot.

Mr. Gottlieb Burns, Marysville, presented a number of archaeological specimens found on his farm. They consist of axes, pestles, hammers and celt pieces.

Mr. Wachenchantz, Columbus, presented his collection of archaeological specimens, all found in Franklin county.

Mr. John Seip, Chillicothe, presented a belt and a large light green quartz bead taken from the body of Sitting Bull at the time of his death.

Dr. J. N. Henderson, Columbus, presented his collection of archaeological specimens found in Franklin county.

Mr. D. M. Carr, Washington C. H., added 300 stone and flint specimens to his collection.

Secured in exchange with Mr. J. P. Burkhart, West Salem, two gorgets of the spine-back type.

Miss Lulie Jones, Columbus, has added to her pioneer collection a child's chair bought in Lancaster in 1844; a lace baby cap, made before the year 1838, and a plate fifty years old.

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The Museum force went into the field this year on the 17th of June and remained until the 25th of August. During the first part of the summer's explorations, the Westenhaver mound was examined. This mound is located about six miles south of Circleville. Something like thirty-five years ago this mound was dug into by Mr. Westenhaver and a number of pieces of cloth was taken out of the great central grave. The mound contains something like 2000 cubic yards of earth, is conical in shape, from 16 to 18 feet high. The entire found was examined, but the examination did not give us very great results. We found something like eleven burials. Arti-facts were not numerous, but we learned much concerning the mode of burial and the culture to which it belongs, and as a matter of course this is our main work and we should put aside the idea of finding quantities of arti-facts, when we are really looking for the facts concerning these early peoples. The latter part of the summer was devoted to the exploration of the Tremper mound, some five miles from Portsmouth. This mound is located on land owned by Senator W. D. Tremper, member of the 81st General Assembly, and one greatly interested in the work of our Society and who generously and

gratuitously granted us the privilege of excavating and further permitting us to retain possession, for our Museum, of all arti-facts found in the mound interior. This mound is the one that I had selected to explore during the proposed visit of the International Congress of Americanists, but as their visit is now indefinitely postponed we concluded that it would be best to make the examination while we had the funds to do so and accordingly we commenced work upon this mound on the 20th of July and finished it on the 25th of August. The Tremper mound was formerly known as the Elephant mound, so named by the early writers, who had conceived the idea that the mound suggested the shape of the elephant, but I am satisfied that its shape was not intended for any such idea, that it did not represent an animal effigy, but was merely a great burial mound. In many respects this mound is the most interesting of any of the mounds examined in Ohio, because of the material taken from it and the manner in which the mortuary customs were carried out. As usual in this culture the main site was a building and the first thing that we looked for was the post holes forming the outside of the building and these found immediately upon beginning our work. As the exploration progressed, we found that it resembled in many ways, the great Harness mound.

In the course of our explorations we came upon crematory after crematory but no depository for the dead, but after one-third of the mound was examined, we found the great depository for the arti-facts and then the depository for the dead; and when we came to examine the arti-facts we found that they resembled in every way the great Squire and Davis find of 1846, in Mound No. 8 of the Mound City group and we found after careful examination, that the pipes removed from this mound, exceeded in every way those taken by Squire and Davis in Mound No. 8 of the Mound City group. You will recall that the Squire and Davis collection was sold to Mr. Blackmore who removed the collection to his own museum in Salisbury, England, and it is now on exhibit there. I have a catalogue of his collection of pipes numbering 95, of which more than 33½ per cent. are broken. We have in our possession more than 100 perfect pipes every one finished and all showing the highest degree of art portrayed by those early peoples. In the Squire and Davis collection many specimens were unfinished, but in the collection that we now have all are finished and many of them show great use, as more than a dozen of them were broken by the owners and then mended, many of them with copper bands, and others with wooden plugs, etc. This collection can be appreciated only by seeing and making a careful study of the specimens. The archaeologists of the United States have always deplored the loss of the great Squire and Davis collection, and I am happy to say now that it has been duplicated, and that we now have in our possession the largest and greatest collection of tobacco pipes taken from one mound in the world.

During the year the number of books in the Library have greatly

increased. At the time of our last annual meeting the number of bound volumes recorded in our books numbered 5943. At the present time our volumes number 7000, with an additional library of estimated 4000 volumes, presented by our charter member, Mr. D. H. Gard, making a total of something like 11,000 volumes at the present time. The care of these 11,000 volumes is giving us great concern, as with only one helper in the library, it is almost impossible to get the Gard volumes catalogued in shape for use.

During the year the following have been presented to the library:  
The Brinkerhoff estate presented 37 volumes to the library.

Mr. H. E. Buck, Delaware, presented a book entitled "An Account of the National Star Spangled Banner Centennial at Baltimore, 1914."

Hon. J. B. Foraker presented a collection of his speeches, of six volumes.

Miss May Lowe, Circleville, presented several early books of United States History.

Mrs. W. G. Rose presented volumes on travel.

Mrs. Rachel C. Lilley, Columbus, presented Columbus City Directory for 1843-4.

Dr. E. C. Mills, Columbus, presented several volumes on Ancient America.

Judge H. C. Miller, Jackson, presented several old volumes on religion.

Mr. Walter H. Richter, Columbus, presented several volumes on travel.

Mr. E. O. Randall, Secretary, presented volumes on the complication of laws, etc.

Rev. N. B. C. Love, one of our former Trustees, presented a history of the M. E. Church.

Dr. D. H. Gard, presented his entire library, consisting of more than 4000 volumes. This library was placed in the southwest corner of the library room and it now occupies more than two sections of case room and an entire extra half section will be necessary to provide for the remainder of the volumes. The Society is certainly under great obligations to Mr. Gard for his generous gift.

I wish to thank the trustees for their general cooperation in the advancement of the Museum and Library.

Respectfully submitted,

(Signed) W. C. MILLS.

The agreement entered into between the Society, represented by the Curator and Librarian, and Mr. Gard concerning his library is as follows: The Gard library shall be kept in separate cases known as the "Gard Alcove" and the cases are to be supplied with brass labels with the words "Gard Alcove" upon it.



The Gard library is to be catalogued and kept in a separate catalogue, but the catalogue number will come with our regular catalogue numbers. A framed photograph of Mr. Gard is to be placed upon one end of the Gard Alcove. The books in the Gard collection will be accessible to Mr. Gard and his descendants at any time.

Following the reading of the report of the Curator, which was accepted and ordered placed on file, motion was made and carried, that the Secretary of the Society be requested to forward to Dr. D. H. Gard a letter, thanking him, on behalf of the Society, for the generous gift of his library.

#### REPORTS OF COMMITTEES.

The next thing in the regular order of business was the reports of the regular standing committees, which are as follows:

Finance; Publication; Museum; Spiegel Grove; Serpent Mound; Fort Ancient; Logan Elm Park; Big Bottom Park; Necrology.

FINANCE COMMITTEE: Report covered by reports of Treasurer and Auditor.

PUBLICATION: Covered by report of the Secretary.

MUSEUM: Covered by report of the Curator.

LOGAN ELM PARK: Covered by the report of Mr. Tallmadge.

BIG BOTTOM PARK: Covered by Secretary's report.

SERPENT MOUND: Covered by report of the Secretary and Curator.

FORT ANCIENT: Report by Prof. Prince.

NECROLOGY: Report by Curator Mills.

#### REPORT ON FORT ANCIENT.

The usual conditions prevail at Fort Ancient. The custodian has given attention to keeping the walls properly trimmed and put in order. At the point of the slide of two years ago he has planted willows to prevent, if possible, further damage.

It has been some years since such improvements were made as would minister to the comfort of visitors to the Fort.

The time has now come when it is necessary to make some repairs and further improvements.

The Shelter House needs a new roof. Years ago a graveled roadway was carried to the entrance of the Old Fort; that roadway should be carried for several hundred yards within the Old Fort; the entrance there is low and on account of the trees a good roadway cannot be made unless at considerable expense in bringing good material from a distance.

The number of visitors has largely increased over former years. The automobile has been a great factor in this increase. This vehicle makes it necessary that a good roadway should be made for some distance within the Old Fort.

On account of the increased attendance a much larger demand has been made on the water supply. The existing well seems not adequate to furnish this. Steps leading down to a spring have been made, where abundant water is accessible. The cost of this stairway was about \$85.00

There are other minor improvements needed about the Fort which can only be made when sufficient funds can be secured for this purpose.

Respectfully,

B. F. PRINCE,  
*Chairman.*

The Secretary announced the receipt of a communication from Mr. Warren Cowen, Custodian of Fort Ancient, as follows:

"FORT ANCIENT, OHIO, Sept. 23, 1915.

HON. E. O. RANDALL, *Columbus, O.*

DEAR MR. RANDALL:—I had hoped to be able to get away from here Friday, to attend the annual meeting of the Society. It is with regret that I will not be able to do so. It is twenty years last month that I became connected with the Society as Custodian of this property. It is conservative to say we have fifty visitors now, where we had one twenty years ago, which explains why our water supply is short; why our road requires more work, etc., I can frankly say this property is in good condition, except the above mentioned. Water, roads and shelter-house. I have been expected my man to build the steps to the spring for some time, which I hope will be done soon, as I want to arrange to come to Columbus soon and will confer with the Society with regards to some rules and regulations with regards to visitors of this place. Many drive in at or after sun-down and probably stay until 8 or 9 o'clock p. m. I think this should be prohibited.

Thanking you and the Society at large for past kindness, I am

Respectfully,

(Signed) WARREN COWEN."

Trustee W. H. Cole stated he had visited Ft. Ancient recently, and corroborated in large measure the report of Prof. Prince. He wished to enter his testimony as to the deplorable

condition of the road leading from the entrance to the fort through the new fort and the old fort to the usual place of inspection of the old fort. The road in the old fort being particularly bad. It is certainly necessary that this portion of that road be filled in and made navigable. He (Cole) "helped to pull three automobiles out, and they helped, in return, to push me out."

Trustee W. C. Moore also spoke of his experience at Ft. Ancient, and knowledge of the bad condition of the road in question. It certainly ought to be repaired before another year. He asked if this could not be done by the state good roads commission.

Secretary Randall visited the fort, per motor car, on July 18, with a party of some thirty gentlemen from Columbus and Dayton; there were seven or eight automobiles conveying the visitors and it was discovered that what has just been said concerning the road in the fort is more than true. Certainly something ought to be done about it, as it is a reflection upon the state of Ohio and our Society that such a condition of affairs is permitted. But, as Mr. Wood has stated, the appropriation for Ft. Ancient for this year and also for next year is only \$100. If the committee had known in time more might have been secured, but before the Society committee was aware of it, the Budget Commission cut down the request of \$200 to \$100.

During the discussion on the statement of Mr. Wood that only \$100 was available this year, Prof. Prince stated that \$85 of it had already been expended in building some steps leading from the fort down the hillside to a spring of water, which is now the only available well for the use of visitors. The wells dug and operated by the militia during their occupation of the fort two years ago have now become useless.

The report of the Fort Ancient Committee was received, and further action in the matter concerning the road improvement at the fort referred to the Trustees.

#### SPEIGEL GROVE BUILDING COMMITTEE.

Chairman Schaus stated that he has not made a written report, but would say that the building committee during the past

year has had a number of meetings, and has struggled with the contractor to complete the building. We finally had to instruct the architect to notify the contractor if it wasn't done by a certain time, we would finish it and charge the expense to him. This didn't, apparently, have the effect that should have been secured. He has practically finished his contract. There are some matters of finishing as to the roof and cornice, that haven't been done according to the contract. There is also difficulty as to the front door, which will not properly close. He promised us yesterday, when the committee was there on an inspection trip, that he would attend to these matters at once. With these two items completed, I would recommend that we accept the building, and allow the final estimates, which were made by the architect some time ago. Estimate No. 10, final, for the balance due on the original contract, \$1,975. Balance due on the additional contract is \$380.50. With these two items our building is complete. Now the contractor is more than a year and a half behind in his work, and the question for the Board of Trustees to decide is whether we will penalize him for the delay, or not. There is due him altogether these two items, totaling \$2,355.50, according to the architect's estimate, and so far as the building committee is concerned, we would recommend the payment of the amount, subject to what the board decides to do in regard to penalizing the contractor.

On motion of Mr. Campbell the matter was referred to the Trustees.

#### REPORT OF COMMITTEE ON NECROLOGY.

Prof. Mills made the following report:

It is often very hard to learn of the death of our members, and very frequently several years will pass before we have information concerning any death that may have taken place outside of Columbus. During the past year, when our campaign for new members was carried on, we were able for the first time to bring to light the fact that several of our members died as far back as 1910. We had no record or knowledge that their deaths had occurred. I wish to report the following active and life members whose deaths I have noted:

Mr. Hiram R. Smith, born December 7, 1813, died June 17, 1913, aged 99 years, 5 months and 10 days.

Professor John B. Peasley, Cincinnati, died 1912.

Hon. Joseph Justice, Marion, died on April 15, 1913.

Mr. A. H. King, Marion, died on 20th of October, 1913.  
Dr. William Shepard, Shepard, died 1914.  
Mr. George W. Gardner, Cleveland.  
Mr. Drausin Wulsin, Cincinnati.  
Mr. John P. Smith, Sharpsburg, Maryland, 1913.  
Hon. H. C. Ranney, Cleveland.  
Gen. John Beatty, Columbus, died Dec. 21, 1914.  
Dr. N. J. Morrison, Wichita, Kansas, died during 1913.  
Mrs. N. E. Lovejoy, Columbus.  
Mr. Wm. B. Whiting, Cleveland.  
Dr. Charles E. Slocum, Toledo, died June 7th, 1915.  
Miss Julia M. Haynes, Fremont, died July 21, 1915.  
Dr. J. Bates McKinley, Harrisburg, died Sept. 17, 1915.  
Prof. F. W. Putnam, died in August, 1915, Cambridge, Mass.  
Mr. Richard H. Rogers, Springfield, died in 1910.  
Mr. E. L. Taylor, Columbus.

#### SERPENT MOUND.

Curator Mills also submitted a report on Serpent Mound, as follows:

During the summer I visited Serpent Mound and examined it as best I could under adverse conditions of weather, as the rain was incessant. At the suggestion of Mr. E. H. Archer, who inspected the property in the summer of 1914, the house was painted, which makes a great improvement as it was badly needed. I also found that there was great need of a pump for the well.

I also secured paper to paper a number of the rooms in the house, as it has been several years since paper was put on the walls and it was badly needed. I found that the roof over the kitchen and back porch was very faulty, it being made of tin and had practically rotted away, so I directed that a new roof be put upon the kitchen and the porch and that the porch floor be repaired. Mr. Wallace has been giving diligent attention to the care and improvement of the general surroundings. He has kept the grass and weeds down, but the road is not in very good condition and we ought to do something toward repairing the road and funds should be provided to immediately make the required improvements.

During the year many noted people have visited the mound and subscribed their names on the little register that Mr. Wallace is keeping for that purpose; among them is Champ Clark, Speaker of the National House of Representatives, Governor Willis and others from over the state. According to Mr. Wallace something like three or four thousand people have visited the mound this year. Many of them have come great distances, including all the surrounding states, Indiana, Michigan,



Kentucky, Pennsylvania and New York. I am satisfied if the roads were in better condition, leading from Peebles to the mound, there would be still greater numbers of visitors. I have been trying to interest the farmers in advocating the building of better roads and I think that perhaps we can accomplish some good in that way. Taking it all in all Serpent Mound Park is in fine condition.

#### MISCELLANEOUS BUSINESS.

Reports of standing committees having been completed, the meeting entered upon the next order of proceeding, namely, miscellaneous business.

At this point the chair stated that at this meeting four trustees were to be elected, to succeed those whose terms now expire, viz., three for the regular term of three years in place of George Bareis, C. H. Gallup and E. F. Wood, and in one place of F. W. Treadway, who is filling the unexpired term of Albert Douglas, whose tenure of office would regularly terminate with the annual meeting in 1916. Following the usual custom the president appointed a nominating committee of three, to suggest names for election by the Society, naming as such committee Messrs. B. F. Prince, W. H. Scott and W. H. Cole. This committee retired and after proper consideration reported nominees for trustees for three years, ending February, 1918, George F. Bareis, E. F. Wood and Henri E. Buck; and F. W. Treadway for the unexpired term of Mr. Douglas; until February, 1916.

There being no other nominations, the Secretary was instructed to cast the ballot of the Society, which he thereupon did, and the gentlemen named for the positions in question were declared elected.

Mr. J. S. Roof, on the committee on Logan Elm Park, made some remarks in regard to the condition of the park, and particularly the Logan Elm tree, one of the main branches of which was liable to be torn off by the elements. He thought it ought to be looked after, but the matter was covered by the report of Mr. Randall, Secretary, and the proposed action by Prof. Lazenby.

J. Edgar Butler was elected a life member in consideration of the presentation to the Society of an autograph letter, dated Chillicothe, January 3rd, 1815, signed by Duncan McArthur,

addressed to "His Excellency, Governor Worthington." The contents of the letter refer to the disposal of certain troops in the war of 1812.

Secretary announced that by invitation of Professor W. H. Siebert, on behalf of the Ohio State University, and the Secretary, on behalf of the Ohio State Archaeological and Historical Society, the Ohio Valley Historical Association would hold its annual meeting in Columbus on October 21 and 22, 1915, and meetings of the Association will be held in the building of the Ohio State Archaeological and Historical Society. There would meet in connection with the same the State Association of College and High School Teachers of American History.

Secretary Randall stated that it had been hoped that — in conformity with the wishes of Col. Hayes — the Hayes Memorial Building could have been completed and accepted and dedicated on October 4th, as that was the birthday of Rutherford B. Hayes. With that in view Col. Hayes had, some weeks ago, communicated with President Wilson, with the idea of securing his presence at that time. Col. Hayes has received a letter from Mr. Tumulty, Secretary to the President, to the effect that owing to the grave duties of the President at this time he could not accept such invitation. It is now the desire of Col. Hayes, if conditions are advantageous, that arrangements for the dedication be made for Decoration Day, 1916. No action was taken in this matter.

Prof. Knight stated that one subject referred to by the Secretary in his report was worthy of careful consideration, viz., some sort of cooperation between the Society and the Ohio State University, concerning the collecting and preservation of material and manuscript, regarded as the sources of original information and data of Ohio or Northwestern history. The suggestion in mind is that the Department of American History in the University might cooperate with the Society in this matter, namely, that the University professors or teachers exercise their energy and industry in assisting in securing of valuable manuscripts, and the publication of those worthy of publication, the Society being the medium of publication. The University professors assisting in the matter of editing and annotating. Per-

haps some one professor could be designated to devote a portion of his time to this work, the expense therefor to be defrayed by the Society which would get the credit and benefit of such work. This plan in no way to supersede or interfere with the work of the Society now being done in the publication of the *Quarterly*, but simply to supplement and extend the work of the Society along the development of its historical side. Many valuable manuscripts are being lost, some perhaps forever, which ought to be secured and placed in the Society building. Similar arrangements have been made in other states, notably Wisconsin, Illinois, Iowa and Minnesota. He thought this matter should be taken up by the society and given proper consideration. Details might be worked out by mutual conference.

Secreary Randall reported this subject met his approval, and was certainly worthy of a thorough consideration. He was familiar with the method of procedure in the states mentioned, particularly Wisconsin, in which University he had spent some time during two different summers, when at work in procuring material for his *Ohio History*. In order to get at this matter definitely Mr. Ryan moved that a committee be appointed by the proper authorities of the Society, the chairman of which was to be Professor Wright, president of the Society, to confer with a committee to be appointed by the University. This suggestion was adopted by the meeting.

Secretary Randall called attention of the members of the Society to the new publication by President Wright, "See Ohio First," a little volume filled with information concerning the geology, archaeology and history of the state, grouped in journeys for automobiles or other vehicles. It has attracted a good deal of attention, has been favorably commented upon by the newspapers, and the Automobile Association of the State has given its endorsement to this publication.

Mr. Waldo C. Moore, the new trustee, who was present for the first time, was called upon for some remarks, which he made, stating his interest in the Society, along the lines of its work and his desire to be useful in his new position and to co-operate with the other trustees; he had been a member of the Society for several years, had followed its development and

proceedings, and looked forward with pleasure to his closer connection with its work.

There being no further business before the Society, upon motion it adjourned. The president announcing that the annual meeting of the trustees would immediately follow.

#### ANNUAL MEETING OF THE TRUSTEES.

SOCIETY BUILDING, SEPTEMBER 24, 1915.

There were present: Messrs. G. F. Wright, E. O. Randall, E. F. Wood, D. J. Ryan, B. F. Prince, H. E. Buck, L. P. Schaus, G. F. Bareis, J. E. Campbell, W. C. Hayes, W. H. Cole and W. C. Moore. Absent, Messrs. Herrick, Treadway and Thompson.

The meeting was called to order by President Wright.

Mr. Randall acted as Secretary. Secretary Randall read the minutes of the last annual meeting of the trustees, held in the Society Building, June 29, 1914, which were approved as read.

Mr. Prince moved that the present serving officers be re-elected. Seconded by Mr. Buck. Carried.

It was moved and carried that the President, Vice Presidents, Secretary and Treasurer be authorized to appoint permanent and special committees as follows: On Finance, Publications, Museum, Library, Spiegel Grove, Serpent Mound, Fort Ancient, Logan Elm Park, Big Bottom Park, Harrison Monument, Historical Sites, Necrology, and a special Conference Committee on the matter of cooperation with the University in regard to the collection and publication of manuscripts.

Mr. Randall said "In my report before the annual meeting it was stated that we had a special appropriation for the reprinting of the Society Annuals, of \$8,500."

In this connection the Secretary stated he had received the following communication from the Auditor of State:

"SEPT. 10, 1915.

*"Archaeological and Historical Society, Columbus, Ohio.*

"GENTLEMEN: — At a meeting of the special auditing committee provided for in H. B. No. 721, held on September 9, 1915, the following resolution was adopted:

*"Resolved, That the appropriation made to the Archaeological and*

Historical Society in H. B. No. 721, for printing and distributing archaeological reports, in the sum of \$8,500.00, be approved, and that the Auditor of State be authorized to issue his warrant on properly itemized vouchers from the Archaeological and Historical Society.

"Very truly yours,

"(Signed) A. V. DONAHEY,  
"Auditor of State."

On motion the Secretary was authorized to enter into an agreement with Mr. Fred Heer to reprint Volumes 1 to 23, Society Annuals, and the method of their distribution was left to the Publication Committee of the Society.

The Chairman of the Hayes Memorial Building Committee reported that, so far as the work of that committee was concerned, it had been completed. There were some minor defects in the carrying out of the contract, some of which were of a trivial nature and might be corrected, some of which were of such a character that they could not be corrected; that the contract as a whole was practically fulfilled, and he thought the Society should accept the building and relieve the building committee. Objections were made to such acceptance by the Trustees until final settlement had been made with the contractor, to whom there was still a large sum due, and as the building had been delayed many months beyond the time specified in the contract for its completion, the question arose whether the Society should impose upon the contractor the specified penalty for delay. In behalf of the contractor it was claimed that the delay was largely unavoidable on his part. After considerable discussion the Trustees by formal vote accepted the building from the Building Committee, but continued the committee until final settlement could be made with the contractor, and decided before final payment was made the Chairman and Secretary of the Building Committee should confer with the attorney general as to the right of the Society to accept the building and pay the contractor in full, without deducting all or any portion of the penalty provided. The same question as to final payment of the architect was referred to the Chairman and Secretary of the Building Committee.

Mr. Schaus stated that the specifications provide that the



people who put the roof on the building give us a guarantee for ten years. He had that guarantee. The guarantee is to the Ohio Archæological and Historical Society.

Mr. Wood stated that he had a letter which encloses some forms of contract for gas and electricity for the Hayes Memorial Building. They seem to think we will probably want to authorize the signing of a contract today. This should be looked into with care in regard to rates. He moved that the signing of a contract for gas and electricity for the Hayes Memorial Building be referred to the Building Committee with full power to act, and that the Secretary of the committee be authorized to sign a contract, when satisfactory to said Building Committee, in the name of the society.. This motion was carried.

#### OFFICERS OF THE SOCIETY.

For the Year 1915-1916.

G. FREDERICK WRIGHT.....	<i>President</i>
GEORGE F. BAREIS.....	<i>1st Vice President</i>
DANIEL J. RYAN.....	<i>2nd Vice President</i>
E. O. RANDALL.....	<i>Secretary</i>
EDWIN F. WOOD.....	<i>Treasurer</i>
W. C. MILLS .....	<i>Curator</i>

#### TRUSTEES OF THE SOCIETY.

ELECTED BY THE SOCIETY.

Terms Expire in 1916.

D. J. RYAN.....	Columbus
L. P. SCHAUS.....	Mt. Vernon
F. W. TREADWAY.....	Cleveland

Terms Expire in 1917.

G. FREDERICK WRIGHT.....	Oberlin
W. O. THOMPSON.....	Columbus
WEBB C. HAYES.....	Fremont

Terms Expire in 1918.

GEORGE F. BAREIS.....	Canal Winchester
H. E. BUCK.....	Delaware
E. F. WOOD.....	Columbus

APPOINTED BY THE GOVERNOR

Terms Expire as Indicated.

HON. JAMES E. CAMPBELL.....	Columbus, 1916
HON. MYRON T. HERRICK.....	Cleveland, 1916
PROF. B. F. PRINCE.....	Springfield, 1917
MR. E. O. RANDALL.....	Columbus, 1917
MR. W. C. MOORE.....	Lewisburg, 1918
MR. W. H. COLE.....	Sabina, 1918

STANDING COMMITTEES FOR 1915-1916.

Announced by the President, as selected by the Committee appointed for that purpose at a meeting in the Columbus Hotel, Friday evening, September 24th, 1915.

FINANCE:

Campbell, Schaus, Ryan, Bareis, Wood.

PUBLICATIONS:

Wood, Ryan, Randall.

MUSEUM:

Mills, Buck, Bareis, Hegler.

LIBRARY:

Ryan, Scott, Campbell, Knight, Curry.

HISTORICAL SITES:

Wright, Cole, Moore, Randall.

HAYES MEMORIAL AND SPIEGEL GROVE:\*

Hayes, Wright, Treadway, Ryan, Mills.

FORT ANCIENT:

Prince, Moore, Mills.

SERPENT MOUND:

Cole, Archer.

LOGAN ELM:

Tallmadge, Mrs. Jones, Roof.

BIG BOTTOM PARK:

Rosamond, Bozman.

HARRISON MEMORIAL:

Campbell, Ryan, Randall.

HISTORY AND MANUSCRIPTS—CONFERENCE WITH O. S. U.:

Wright, Cole, Campbell, Ryan, Randall.

NECROLOGY:

Mills, Bareis, Prince.

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\* The former Spiegel Grove Building Committee will continue to act on the building feature of the work until committee is discharged by the Trustees. This committee is composed of Messrs. L. P. Schaus, Webb C. Hayes, G. F. Wright, George F. Bareis and W. C. Mills.

## NEW LIFE MEMBERS.

The following are life members, received into membership by the Society since the annual meeting of May 30th, 1915:

Calvin M. Young, Greenville.	J. M. Dunham, Columbus.
C. F. Strecker, Marietta.	R. C. Baker, Danville.
J. W. Preston, Coshocton.	Hiram Payson Barnes, Clintonville.
William W. Mills, Marietta.	Martin H. Fischer, Cincinnati.
Robert W. Manly, Chillicothe.	Mrs. Charles A. Covert, Columbus.
Lee R. Bonnewitz, Van Wert.	John S. Fulton, Newark.
W. D. Brickell, Columbus.	J. G. Butler, Jr., Youngstown.
William P. Palmer, Cleveland.	Julius F. Stone, Columbus.
Wilby G. Hyde, Chillicothe.	Mozart Gallup, Sandusky.
F. A. Seiberling, Akron.	George D. Selby, Portsmouth.
J. F. Baldwin, Columbus.	E. L. Barrett, Springfield.
S. Casparis, Marble Cliff.	F. P. Thompson, Dayton.
R. M. Voorhees, Coshocton.	Robert F. Wolfe, Columbus.
John J. Admas, Columbus.	Charles W. Justice, Youngstown.
W. G. Brown, Lewisburg.	George W. Knight, Columbus.
J. J. Jagger, Mt. Gilead.	Spencer B. Newberry, Bay Ridge.
C. D. Closson, Circleville.	Oscar F. Miller, Columbus.
Lyman H. Treadway, Cleveland.	F. P. Hills, Delaware.
James N. Gamble, Cincinnati.	Walter B. Wolfram, Lowell.
J. G. Battelle, Columbus.	J. Bates McKinley, Harrisburg.
Edward H. Giesy, Columbus.	L. S. Sullivant, Columbus.
H. G. Dalton, Cleveland.	Benjamin S. Thompson, Columbus.
F. O. Schoedinger, Columbus.	Clayton A. McCleary, Columbus.
H. E. Vance, Columbus.	F. M. Hughes, Lakeville.
C. Christian Born, Columbus.	Irvin F. Fangboner, Fremont.
Allen Andrews, Hamilton.	G. W. Lorimer, Pickaway.
F. A. Miller, Columbus.	C. E. McBride, Mansfield.
Eugene M. Parker, Columbus.	J. Edgar Butler, Columbus.
F. P. Brown, Dayton.	Dean M. Hickson, Lancaster.
Barton Griffith, Columbus.	Fred Blenkner, Columbus.
L. F. Kiesewetter, Columbus.	W. H. Siebert, Columbus.
Henry Steube, Columbus.	W. H. Cole, Sabina.
Benjamin F. Gayman, Canal Winchester.	J. S. Bracken, Columbus.
Erwin W. Schueller, Columbus.	Lowry F. Sater, Columbus.
Charles M. Wing, Columbus.	Robert G. Kinkead, Clintonville.
	William R. Lazenby, Columbus.

## HULL'S TRACE OR TRAIL.

BY GEN. ROBT. P. KENNEDY,

In the early times the roads or passages cut through the heavy timber of the country were called "traces" or "trails," and thus we read about "Zane's trace," the roadway cut by Ebenezer Zane, his brother Jonathan, and his son-in-law, John McIntyre, from Wheeling, on the Ohio River in Virginia, to the Limestone, on the Ohio River in Kentucky, the first "trace," roadway or passage from the East to this section of the great northwest.

The trace which the Zanes and McIntyre cut from Wheeling to the Limestone followed almost entirely the old Indian trails which had been made by long continued usage by the Indians in their passage to and from the Northeast and Southwest, and is substantially an easy and short line from Wheeling to Maysville. For this labor the Zanes and McIntyre were given sections of land at the crossings of the rivers at Zanesville, Lancaster and Chillicothe.

And again we hear of "Hull's trace" or trail, the rough passage way cut through the timber from Ohio to the Canada border at Brownstown, for the passage of Gen. Hull's army on its way to attack the English under Gen. Brock.

And again we read about "Gen. Harrison's trail," from Franklinton through the present counties of Delaware, Marion, Wyandot, Seneca, and Sandusky, to Fort Meigs, — all the way being dotted with newly built forts, — and thence to the battle-ground of that splendid victory of the Thames.

And again we read of Col. Clay's trail, of Harrison's army, on its way via Forts Piqua, St. Marys, Jennings, Winchester and Meigs, to the battle-ground of the Thames.

These traces or trails were in many respects very properly named for they were simply rough passages cut through the heavy timber to enable the army to pass with its baggage, artillery and transportation towards the objective point of attack.

The trace or trail of Gen. Hull was to enable his army with its artillery and baggage to pass from Dayton to Brownstown, the outpost of the English army on the Canadian border.

The Ohio country was very heavily covered with timber and the labor of clearing a passage way or trail was performed by the woodmen and axmen who preceded the army clearing a road or trail through the woods of sufficient width to permit the army with its artillery and baggage to pass through.

The axmen of that day were skillful and equal to the task.

The army of Gen. Hull consisted of three regiments of Infantry commanded by Colonels McArthur, Cass, and Findlay, and a detachment of regulars commanded by Lieut. Col. Miller, — altogether numbering nearly two thousand men, all well armed and equipped for that day.

With these troops also went twenty-five iron and eight brass cannons and with such means of transportation as was regarded fully equal to the undertaking.

The march from Dayton, where the army was brought together, to Springfield, was over the roads of that early day, and reached Urbana, an outpost of the Ohio civilization, in May, 1812.

From this point the army was to pass through an almost unbroken wilderness, and the labors of the woodmen and the axmen were from this point to "find a way or make it."

Upon reaching Urbana a temporary halt was made for the purpose of gathering up the necessary equipment and bringing together the forces which were to be a part of this army of invasion, and to make an attack upon the British then holding the defences of the Canadian frontier, and early in June the actual forward movement began and the route to the Mad River passed through the valley east of the Mad River to the present site of West Liberty, where it crossed this river some six rods west of the mill at the south of that village where the army went into camp.

The following day the army took up its march and passed to the east of the present site of the West Liberty cemetery, passing which it then turned westward and keeping to the north reached and crossed McKees Creek just where the C. S. & C.



railroad now crosses it some four miles distant, from which point it bore off to the northwest and marched in course about one mile west of the present city of Bellefontaine.

This trail was for many years quite easily distinguishable and was about equi-distant between the present city of Bellefontaine and the Silver Lake, passing through the farm now owned by Edward H. Jones and formerly owned by Henry Good.

Thence it passed northward through the lands formerly owned by Silas Roberts, and later by the Kauffman heirs, until it reached Tuckers Run, which stream it crossed just east of the present home of George Aiken.

Within my own time the trail through the Roberts or Kauffman woods was for many years plain and distinct and was well known as "Hull's trail," through which his army passed on its way to Detroit.

The venerable George Aiken and his good wife, both living and with exceptionally good minds and memories, are very clear in their personal recollections of this location of the trail as it passed through Logan County, and I have their cordial approval of the statements I have made with reference to it.

The old land marks are fast disappearing, but history has been careful to make some record which after generations can be fully assured are correct and historical.

From this point it bore northwest until it reached the line of the present road from Bellefontaine to Cherokee, which course it followed to the farm of Gen. McPherson, where it went into camp for some three or four days, while the axmen went forward to clear the trail for the forward movement of the army, following substantially the present road from McPhersons to Cherokee, and from thence almost due north to the Indian village of Solomonstown, formerly the village of Chief Tarhe, or the Crane, where the army went into camp at the Twin Springs on the farm now owned and occupied by A. C. McClure, Esq., a part of the army being encamped on the farm now owned by Mr. Andrew Wallace, just north of Mr. McClure's.

From this point it moved forward almost directly north, passing the points where the towns of Richland and Bellecenter

are now located. This forward movement was constantly preceded by the pioneers and axmen, for the country was an unbroken forest, very heavily timbered, with a rich black soil, and a good passage way could only be obtained by cutting away the brush and timber, as the only means of getting from place to place theretofore had been by the Indian trails which ran from Indian village to village, and had been made by cutting away the brush and overhead branches, thus permitting them to ride single file from village to village. Some of these old Indian trails are yet quite easily distinguishable. The Indians always rode single file, and far enough apart to keep the branches pushed aside by those in front from striking those following in the face, and these trails were in many places so worn and cut out by travel that they were from one to two feet in depth and from two to three feet wide.

There was an old Indian trail from the site of McKeestown, south of Bellefontaine, to Zanestown, five miles east, in the Mad River valley, that was for many years quite easily distinguishable.

The Hull trace or trail ran through the counties of Champaign and Logan, Hardin, Hancock, Wood and Lucas, and almost through the central portion of these counties beginning at Urbana and thence through Logan just west of the present city of Bellefontaine, — for Logan, Hardin, Hancock and Wood were not then organized into counties, — and touching Ft. Arthur, in what is now Hardin County, thence to Ft. Findlay, and thence to the present site of Bowling Green, in Wood County, and on to the present site of Toledo, and thence to Detroit, or Brownstown.

The purpose of this article is not to follow the fortunes of Gen. Hull, and his unfortunate expedition, but simply to point out the route followed by his army in its advance upon the British under Gen. Brock at Brownstown, which has by historians been called "Hull's trace" or trail.

These trails were not intended as great highways but simply as expedient passages for the accomplishment of a definite purpose, and the trail which Gen. Hull's woodmen cut through the Ohio country was some fifteen or twenty feet in width, owing

to the condition of the timber and the necessities of the case. Through this trail his army of two thousand men with thirty-three pieces of artillery and the necessary transportation was to pass on its way to the battle ground on the Canada border.

As an historical memory it has been marked and so preserved in some of the counties through which Hull's army passed; this is especially true as to Hardin county, where the Society of the Daughters of the American Revolution have taken some of the stone columns of their old court house, just torn down to make way for the splendid new one, and have placed them as markers along the trail of Gen. Hull's army to designate for all time the line over which his army passed on its march to the disaster at Detroit.

The D. A. R. of Logan county are making arrangements to mark the trail through Logan county and thus preserve to future generations the line of march which Gen. Hull followed in his passage through Logan county.

While Hull's expedition was a miserable failure,—for which he was tried and condemned to be shot for cowardice and was only saved by the clemency of President Madison who disapproved of the sentence only because of Geo. Hull's distinguished service in the Revolutionary War,—it is one of the incidents of the War of '12 which is interesting from an historical standpoint and is worthy of being preserved as a part of our military history.

History would be sadly incomplete and deficient if it only related the victories and conquests of our armies, without at the same time making record of their defeats, for it is equally true that quite frequently more military experience has been gained from defeat rather than from victory,—by enabling us to see wherein we have erred, thus preparing us for other and greater victories.

Gen. Hull's defeat and disaster only enabled Gen. Wm. Henry Harrison to avoid the mistakes of his predecessor and to win a magnificent and overwhelming victory at the battle of the Thames and thus end forever the conflict between the New Republic and the Mother Country.

Bellefontaine, Ohio.

## WHERE DID ELIZA CROSS THE OHIO?

BY FELIX J. KOCH.

Obviously, each side in the controversy has good grounds upon which to rest its claim, Cincinnati and Ripley both claim the site.

With the one, — it cannot be denied that a fugitive slave woman *did* cross the stream on the ice at the very heart of the city's water-front. At the other, — the place was a "village" at the time when Mrs. Stowe wrote her book, as it states; and there lived a man who made a point of helping run-away slaves cross the stream, even as the story describes.

Where — for, on the one hand, Cincinnati, where the then Harriet Beecher resided, is claiming to herself the site of the all but miraculous river crossing; — and little Ripley, suburban to the Queen City, is advancing a counter-claim.

All of which leads to the telling of an interesting story:

Not so very long since, — Ripley, Ohio, — in connection with a centennial of the town, — arranged for a giant home-coming celebration. Folk returned to Ripley from all parts of the land, — but, among others, there came one man who desired to leave his birthplace with suitable memento of his visit. Ripley has long been noted for its many interesting sites and scenes connected with the Underground Railway — and it was suggested that the well-meaning son of the town mark these in appropriate ways.

This was done and Ripley possesses more tablets to the square mile than perhaps any one town in the land.

Come to the river-front, however, — and framing inscription for the monument set there, to tell of this assistance to the fugitive slave from across the river, — and, at once Ripley found that she was not alone in her desire for the honor here.

Ripley might have the Rankin home on the bluffs,—whence old man Rankin and his stalwart sons sallied forth, and came down to help the slaves who crossed the stream,—often using logs to hide and to guide by.

Ripley, without a doubt, was a very great deal nearer Washington, Ky., where Mrs. Stowe secured her other material, than is Cincinnati. At Ripley they might have had many wonderful experiences with run-away slaves, but, to repeat, at Ripley no slave ever crossed the floating ice, as there did one such slave at Cincinnati.

This woman,—Margaret Garner by name,—made the crossing and arrived at the mouth of Mill Creek, now in the heart of the Queen City of the West, within the memory of many folk still living. Out of which there comes a mass of conflicting argument, with none to prove or disprove.



The Floating Ice.

In the light of it all, one can only read the version in *Uncle Tom's Cabin* itself,—and interpolate with the claims and counter-claims,—made as follows:— (Chapter vii—The Mother's Struggle:—

“In consequence of the various delays, it was about three-quarters of an hour after Eliza had laid her child to sleep in the village tavern”;— (Cincinnati, even then, was no village,—Ripley is still) “that the party,” (come in pursuit of the fugitives, and so from Washington,—nearer Ripley than it is Cincinnati), “came riding into the same place. Eliza was standing by the window, looking out in another direction,—when Sam’s quick eye caught a glimpse of her. Haley and Andy were two yards behind. At this crisis, Sam contrived to have his hat blown off and uttered a loud and characteristic ejaculation,—which startled her at once;—she drew suddenly back,—the whole train swept by the window ’round to the front door.



"A thousand lives seemed to be concentrated in that one moment to Eliza. Her room opened by a side door to the river. She caught her child and sprang down the steps toward it. The trader caught a full glimpse of her, just as she was disappearing down the bank,—and, throwing himself from his horse and calling loudly on Sam and Andy, he was after her like a hound after a deer. In that dizzy moment her feet, to her, scarce seemed to touch the ground and a moment brought her to the water's edge. Right on behind they came,—and, nerved with strength such as God gives only to the desperate, with one wild cry and flying leap, she vaulted sheer over the turbid current by the shore, on the raft of ice beyond. It was a desperate leap,—impossible to anything but madness and despair;—and Haley, Sam and Andy instinctively cried out and lifted up their hands as she did it.



A Bit of the Ohio.

"The huge green fragment of ice on which she alighted pitched and creaked,—as her weight came on it, but she stayed there not a moment. With wild cries and desperate energy she leaped to another,—and still another cake,—stumbling,—leaping,—slipping,—springing upward again. Her shoes were gone,—her stockings

cut from her feet,—while blood had marked every step;—but she saw nothing,—felt nothing,—till, dimly, as in a dream, she saw the Ohio side,—and a man helping her up the bank."

And that is all the detail there is left us. The *scène* does not fit Cincinnati,—it hits Ripley off at once. The *incident* is one connected indisputably with Cincinnati history,—and does not find any parallel in the annals of Ripley.

Where—for the historians are left to ponder,—and are pondering still, as we write!

Cincinnati, Ohio.

## THE HAYES BEQUESTS.

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When future generations shall make their pilgrimages to the historic scenes of Fremont, Ohio, they will ask "What means this beautiful park with its winding roads through a forest of gigantic trees, and this artistic building of stone at its northern entrance, with this commodious, but simple brick mansion in the background; and what is this magnificent collection of building in a spacious field outside, approached by well-worn roads and pathways?" The answer will be, "This park is Spiegel Grove, an area of twenty-five acres, still covered with the original forest except where spaces have been cleared for the home of General Rutherford B. Hayes, one of the most eminent presidents of the United States. This winding roadway, with its depression where crossing a brooklet, is a portion of the original Indian trail from the Great Lakes to the Ohio River, trod for ages by countless feet of the aboriginal inhabitants of America, and followed in 1813 by General Harrison's army on its road to victory in the battle of the Thames. This "poem in stone" is a monument to President Hayes, erected by the Ohio State Archaeological and Historical Society with funds furnished by the Legislature, and holding the great library of Americana collected by President Hayes, together with his military and political correspondence, and a general collection of family and historic relics—altogether, "a thing of beauty and a joy forever."

Each of the four entrances to the park has a character of its own. The main entrance from the street at the northeast, through a gateway adorned by massive walls of granitic boulders from Canada, transported to the near vicinity thousands of years ago by the slow-moving ice of the glacial period, was erected by Colonel Webb C. Hayes, the dutiful son of President Hayes; as was also the northwestern entrance, between gigantic cannon standing on end, and flanked by massive granitic walls constructed of glacial boulders and bearing inscriptions in memory of the officers and soldiers from the vicinity who took part

in the Mexican and Civil wars; and the south entrance, likewise guarded by immense cannon standing on end, supported also by granitic walls of glacial boulders, and bearing inscriptions in memory of General Harrison's army, which passed over the trail in 1813, was erected by Col. Hayes. This cluster of buildings in the ample grounds outside is a hospital erected by a generous gift of the wife of Colonel Webb C. Hayes, and endowed by a fund raised by subscriptions among the citizens of the town and vicinity.

That it is not necessary for the interest of history to make it a mere record of wars, strifes, and calamities appeared in a striking manner in the events which culminated in Fremont, Ohio, October 21, 1915, when the saying of Montesquieu, "Happy are the people whose annals are tiresome," was shown to be true only so far as historians fail in their opportunity to present the bright side of the picture.

That evening witnessed a scene in the Hayes Memorial Library unprecedented in the town or indeed in northern Ohio. The occasion which called the people together was the completion of the effort to raise \$100,000 by the citizens to secure the conditional gift of the same amount by Mrs. Webb C. Hayes for the erection and equipment of a hospital. In celebration of this event a general reception was held under the dome of the Library. It was not a dress affair but everybody came, republicans and democrats, rich and poor, Catholics and Protestants, Jews and Gentiles, and every face was beaming with delight. One poor widow's house was entered by the solicitors by mistake, but she would not let them go without contributing a dime. This aroused more interest than did the largest gift by others of ample means. Another poor widow insisted on giving a slender gold ring which she valued as a keepsake from her childhood. This was put up at auction and sold for \$100 and the ring given back to her. All that one man could give was three bushels of potatoes. They were put up at auction and sold for \$27. To crown it all Professor G. Frederick Wright, President of the Ohio State Archaeological and Historical Society, was permitted to announce that Colonel Webb C. Hayes had that day turned over to a trust society in Cleveland, \$50,000,

the income of which was perpetually to be used in purchasing books and historical material for the Hayes Memorial Library in the line of those collected by his father. He was also permitted to announce that since Colonel Hayes had deeded the Spiegel Grove property to the state in care of the Archaeological and Historical Society he had spent \$50,000 in building



Colonel Hayes digging the first shovelfull of earth for the Hayes Memorial Library and Museum in Spiegel Grove State Park, in 1912, in the presence of Prof. G. Frederick Wright, President, and W. C. Mills, Curator, of the Ohio State Archaeological and Historical Society, also Senator G. A. Dean, Charles Richard Williams, Biographer, and guests, at Spiegel Grove.

the gateways, removing to the grounds his father's monument with the remains of his father and mother, improving the family mansion and the property in general, and in the addition of many features to the Memorial Building not provided for by the State appropriation, which, in addition to the \$50,000 appro-



priated by the State and the property value of Spiegel Grove, would make a sum equal to \$300,000 contributed to the perpetual benefit of the citizens of Fremont, of the state of Ohio, and to some extent of the world at large.

After an introduction by Mr. J. M. Sherman, chairman of the Memorial Hospital campaign, President Wright made the following brief address:

The citizens of Fremont and vicinity have great reason to congratulate themselves upon the accomplishments which have this day been brought to pass in their midst.

First, through the generosity of Mrs. Webb C. Hayes, who has contributed \$100,000.00, and that of numerous others, who by gifts great and small have raised an equal amount, you are assured of a Hospital costing \$100,000.00 with an endowment of another \$100,000.

None but those who have traveled through heathen lands can fully realize the significance of such a work of benevolence. In India they have hospitals for sacred cattle, but none for suffering humanity. In China the afflicted poor are left to perish by the wayside. But it is one of the most impressive products of the influence of the words and example of our Lord and Master, Jesus Christ, that bodily wants of the sick and suffering poor are cared for by the erection and maintenance in Christian lands, of hospitals where everything is done for them that wealth has enabled the rich to do for themselves.

In traveling through China, it is the hospitals of the Medical Missionaries that impress one most of all as displaying the Christian spirit. As one passes into Siberia, it is the hospitals erected and endowed by generous Russian citizens, full as much as the churches, which show that one is in a Christian land.

It is impossible to overestimate the amount of peace and satisfaction which is brought to the poor by the thought that if severe sickness or accident overtake them, they are assured of every care, in a nearby hospital, that modern medical skill can command.

Because of this hospital, life in Fremont and Sandusky County will be far more happy and hopeful hereafter than it has been in the past.



Secondly: Of scarcely less value to the citizens of this town, and indeed of the state of Ohio and of the Nation, is the gift which I am now permitted to announce, by Colonel Webb C. Hayes for an endowment of the Hayes Memorial Library, the income of which is to be used in the purchase of historical material in the line of the rare collections of books in the library of the late President Hayes, now on the shelves of the



The Hayes Memorial Library and Museum of the Ohio State Archaeological and Historical Society, in the Spiegel Grove State Park.

beautiful fireproof building erected by the State as a memorial to your most distinguished citizen.

The history of these gifts is most interesting. It was the original intention of Mrs. Hayes to give an endowment of \$50,000.00 to the Hayes Memorial Library, but at Colonel Hayes' suggestion she first offered it for the endowment of a hospital on conditions which have been satisfactorily met as a result of the present campaign, and now Colonel Hayes has carried out,

by his own gift of \$50,000.00, the original intention of Mrs. Hayes.

Since his original gift of the Spiegel Grove property, and the appropriation by the Legislature of \$50,000 towards the building of the fireproof Hayes Memorial building, Colonel Hayes has expended an equal amount in cash on the Memorial and Residence buildings, the Gateways and the care and improvements of the Spiegel Grove property, making a total cash expenditure of over \$100,000, which, with the value of the personal and real estate, either deeded or held in trust, makes a total bequest of nearly \$250,000.00 by Colonel Hayes.

Fremont now has within its border an educational prize easily worth several hundred thousand dollars. To this place tourists will come from every part of the land to feel the inspiration of this spot. Here will come scholars from all parts of the world to study the history of mankind in America, and the part which Rutherford B. Hayes played in making the history of this republic. And here perpetually will the passing generations of the vicinity feel the ennobling influence of these historical monuments and of the cultured atmosphere emanating from the historical records and relics housed in the Hayes Memorial Library.

Fortunate indeed is a community which has a husband and wife, each of whom is not only able but willing to give \$100,000.00, the one for a Memorial Library Museum and Park, and the other for a Memorial Hospital, both in honor to beloved parents.

To crown it all Mrs. Webb C. Hayes also made another offer to the city, wherein she provides a Y. M. C. A. building for the city. This fact was made known in the following letter from Mrs. Hayes:

SPiegel GROVE, FREMONT, OHIO, October 18, 1915.

Mr. John M. Sherman, Chairman:

My Dear Mr. Sherman:—If you think it would be of assistance in securing subscriptions to the Memorial Hospital Fund you may say to the members of your committee that if the movement is successful and the committee accepts Col. Hayes' offer



Monument designed and erected by Rutherford B. Hayes, after the death of Lucy Webb Hayes in 1889, of Vermont Granite from the farm from which his parents migrated from West Dummerston, Vermont, to Delaware, Ohio, in 1817. The caskets were placed in a granite block 12 x 20 feet, which was then sealed and the monument brought from Oakwood Cemetery and placed on this new granite base on The Knoll in the Spiegel Grove State Park in April, 1915.

of some two acres towards a site for the hospital, west of Spiegel Grove, fronting on Buckland avenue, and the additional acreage required is secured, I will reserve the Court street property originally tendered by me for a hospital site for some other charitable or public purpose, such as a Y. M. C. A. building, headquarters for Boy Scouts, or other suitable purpose, for the benefit of the people of Fremont, and further that if the Kridler and Childs properties on Buckland avenue can be at once secured for the hospital, I will turn over the Chittenden double house or the brick block for a temporary headquarters for a Y. M. C. A. building, to become a permanent gift when suitable arrangements for the erection of a permanent structure have been made.

As you are aware it was originally my intention to offer the Court street property with the \$25,000 in cash towards the hospital building, and to give the \$50,000 endowment portion of my bequest to the Hayes Memorial Library in Spiegel Grove to match an almost equal amount of cash which Col. Hayes has expended on the buildings, gateways and improvements in Spiegel Grove since he presented it to the state as a memorial to his parents.

It was at Col. Hayes' suggestion, however, that this \$50,000 endowment should be tendered first for the proposed hospital and be available to it if within five years certain conditions were complied with. Since the preliminary work was begun by your committee he himself established on July 15 last a \$50,000 cash endowment fund for the Hayes Memorial Library and Museum in Spiegel Grove, the income from which fund will annually be used for the purchase of books and objects of interest for that institution which will be available to the people of Fremont and Sandusky county.

Very sincerely yours,

MARY MILLER HAYES.

Following the speech of Dr. Wright three rousing cheers were given the women for their valiant work, and an informal tour of the library and museum was made. Those who had not taken the opportunity before, gazed with interest and awe at the rare books, the wonderful curios and valuable relics



which have been garnered from the four corners of the earth and looked with reverence at the personal possessions of our beloved President Hayes and his equally beloved wife, which occupy such a prominent place among the treasures of the building. In each library room stood a table imported from Holland, bearing a vase of stately chrysanthemums. It was a sight never to be forgotten when the guests gathered at the Hayes home, where new and lasting friendships formed during the campaign were further cemented. Upon this memorable occasion, bitter rivalry was forgotten and a spirit of fellowship, to an extent never before realized in Fremont, pervaded the atmosphere.

The stately home, whose hospitality has been graciously extended to so many distinguished guests of national and international fame, rich in its associations, both historical and personal, and with its wealth of rare paintings, priceless rugs, foreign and antique furniture, formed a proper setting for this gathering of men and women who had labored so ceaselessly and untiringly in the cause.

A buffet luncheon of sandwiches and coffee, ices and cake was served in the dining room. La France roses graced the center of the table. Assisting in the pouring and throughout the rooms were Mrs. M. Holderman, Mrs. F. H. Door, Mrs. G. F. Wright, of Oberlin; Mrs. Walter Sherman, of Toledo; Mrs. H. S. Buckland, Mrs. J. M. Sherman, Mrs. C. R. Truesdall and Miss Frances Pease. Mrs. Fanny Hayes Smith, of Annapolis, who has been quite ill for several weeks, was able to greet friends as they came upstairs.



## EDITORIALANA.

VOL. XXIV. No. 4.

OCTOBER, 1915

*E. O. Randall*

### RECENTLY APPOINTED TRUSTEES.

WILLIAM H. COLE, recently appointed trustee of the Ohio State Archæological and Historical Society, is a resident of Sabina, and by education and taste brings to the office special qualifications for the discharge of its duties.



W. H. COLE.

He was born in Hillsboro, Highland County, Ohio, July 29, 1840. Upon completing a course of study in the public schools of his native town he was elected principal of the Walnut Street school. After teaching in the schools of Hillsboro a year he entered the Ohio Wesleyan University, at Delaware, Ohio, from which institution he was graduated with the degree of Bachelor of Arts in 1868, and three years later took his Master's degree.

After his graduation he was called to the principalship of the Home School, Nashville, Tennessee, which position he resigned to accept the superintendency of the public schools of Wilmington, Ohio. These schools he organized upon the plan of the modern graded school.

In 1874 he resigned the superintendency of the schools of Wilmington to accept the superintendency of the schools of Lawrence, Kansas. After two years connection with the schools of Lawrence he returned for a time to collegiate work, having been elected to the Chair of Elocution and History in the University of Missouri. He then returned to his native state, having been elected to the superintendency of the schools of Marysville, Ohio, where he remained for twenty-one years, organizing these schools under the modern graded system.

He was then called to the superintendency of the city schools of Huntington, W. Va. While superintendent of schools he was instrumental in securing for the city of Huntington a handsome Carnegie Library building, vitally connecting the library with the work of the public schools.

After eight years of service as superintendent of the schools of Huntington he retired from active educational work and is now engaged in agricultural pursuits, affording a practical illustration of "Back to the Farm."

In 1870 he published, through the American Book Company, the Institute Reader and Normal Class Book, a scientific but practical work on elocution.

Mr. Cole's political affiliations have been with the Republican party, though his breadth of view and sympathetic nature have led him to champion, without regard to party, the best interests of each community in which he has resided. He has ever given his most active efforts to the educational and intellectual advancement of the youth of the state. He is especially interested in the history of our commonwealth and devoted much time to the study of its early heroes and later development. He was appointed by Governor Willis, on April 3rd, 1915, trustee of the Ohio State Archaeological and Historical Society to succeed Hon. John W. Harper, of Cincinnati. Mr. Cole's term is for three years, ending February, 1918.

WALDO C. MOORE was born in the little village of West Baltimore, now Verona, Preble county, Ohio, July 23, 1874, the eldest son of John W. and Mary E. (Snorf) Moore, and has been a resident of Preble county since his birth. His paternal ancestors were of English-Dutch descent and his maternal ancestors were German. His great grandfather, Hamilton Moore, was a soldier in the war of 1812, and his grandfather, Isaac N. Snorf, was a Union soldier and died on the field of battle at Missionary Ridge.



W. C. MOORE.

In early life Mr. Moore labored on the farm in the summer and attended the district schools in the winter. He received a common school education in the Harrison township schools, and had the privilege of attending the Harrison Township High School during the winter of 1894-5. While attending the latter school he had the good fortune to meet Imogene Horn, of Lewisburg, who was an occasional visitor at school, and who became Mrs. Moore August 19, 1896.

In his school days Waldo C. Moore passed the Boxwell examination with honors, and before he was eighteen years old he held a certificate to teach in his native county, and also certificates from Darke and Montgomery counties. He graduated from the Dayton Normal School and from the Miami Commercial College at Dayton, and spent the summer of 1894 at Lebanon, Ohio, taking a special course in the National Normal University. He was a successful teacher, and followed this line of activity for six years. In the summer of 1899 he resigned the principalship of the Ithaca, Ohio, schools and became identified with the People's Banking Company of Lewisburg, and is now the cashier and a director of that bank.

In the spring of 1910 he took United States civil service examination, and passed the test as an expert bookkeeper, ranking sixth in the state in a large class.

Waldo C. Moore is an ardent numismatist and philatelist, and is a collector of national repute. He is especially interested in Ohio Civil War store cards, Ohio Broken-bank bills, Ohio private "shinplasters," Ohio script issues, Ohio "hard times" tokens, Ohio business coin cards, Ohio Masonic mark pennies, Ohio uncurrent bills, Ohio sutler's checks, stamps and other specimens. It is Mr. Moore's intention to place his entire collection on permanent exhibition at some future date in the museum of the Ohio State Archaeological and Historical Society.

Mr. Moore is considered an authority on numismatics and is a contributor to *The Numismatist*, a magazine published in New York City in the interest of medallic art. He is the author of brochures on: "Numismatic Opinions," "Rare Ohio War Cards," "Rochester Numismatic," "Money Conditions, 1849-1870," "Vagaries of Collectors," "Specialization," "Colonial Numismatic Ships," "Amateurs in Numismatics," "Looking Backward—an 1812 Panorama," "The Making of a Collection," "The Libertas Americana Medal," "A. Loomis and His Store Cards," "Ohio Private Shinplasters," "A Missouri County Warrant," "The Currency of the Red Man," "The Burnet House," "A Numismatic Portrait Gallery," "New Salem, Ohio, in Numismatics," "The Goddess Minerva in Art Imperial," "Ohio Blasts in Numismatics," "The Kirtland Bank Bills," "The Pony House Checks," "The National Revulsion," and "The Rickey Card."

Mr. Moore is the possessor of a fine stock farm in Preble county, called "Cliffmore," a two-hundred acre tract about two miles north of Lewisburg. He is trustee of the Methodist Episcopal church of Lewisburg, takes an active interest in the various features of the church work, being president of the Young Men's Friendly Class, and teacher of the class known as "The Boys." He is one of the Sunday School Superintendents, and is assistant chorister; also president of the literary department of the Epworth League.

Although a republican, Mr. Moore has thrice been elected clerk of Harrison township, a democratic stronghold. He has served a number of terms in the council of Lewisburg, and was chairman of the finance committee for some years. He has lately been chosen president of council. He was appointed by President Taft as a member of the 1912 United States assay commission. He is prominent in the local lodges of the Free and Accepted Masons, the Independent Order of Odd Fellows and the Knights of Pythias; is a life member of the National Geographic Society, the Indian Rights Association and the Ohio State Archaeological Society. He is general secretary of the American Numismatic Association and a trustee of the Ohio Numismatic Society. He was appointed, on April 3, 1915, by Governor Willis, Trustee of the Ohio State Archaeological and Historical Society. He succeeds Hon. J. W. Yeagley of New Philadelphia.

## DEATH OF CALEB H. GALLUP.

Hon. Caleb Hathaway Gallup, for many years a life member of the Ohio State Archaeological and Historical Society, and Trustee, by election of the members, for a period of six years, from 1909 to 1915, died at Norwalk, his home, on Saturday, October 16 (1915).

He was a man of unusual ability, endowed with a strong, determined character. His life was a busy and fruitful one.

He was born in Norwalk, Ohio, May 10, 1834, and had therefore passed his eighty-first milestone. As a boy he attended the schools of his native town and later graduated from Madison University, Hamilton, New York, 1856, receiving the degree of Bachelor of Philosophy. The following year he began the study of law and attended the Cincinnati Law School, from which he received his legal diploma in 1858. The following year he entered upon the practice of his profession at St. Johns, Michigan. After a few months residence in that city he removed to Port Austin, Huron county, Michigan. Here for five successive times he was elected prosecuting attorney of the county, and during the same period, of ten years, held other important official positions in his profession. During the civil war he was Deputy United States Marshal for the western district of Huron county, Michigan. He served one term in the Michigan legislature.

In 1872 Mr. Gallup renewed his home in his native town of Norwalk, where he passed the remainder of his life, and in which city he became a most influential, esteemed and honored citizen.

Mr. Gallup was twice married: in 1860 to Miss Kate M. Vredenburg, who died in May 1863; in 1869 Mr. Gallup was united in marriage to Miss Helen Glover, who died 1872. Three children and several grandchildren survive the deceased father and grandfather.

Mr. Gallup was a successful business man and a potent agent in many of the leading business enterprises of his native city. He was the chief officer in one of the banks, was the organizer and president for many years of the Home Savings & Loan Company of Norwalk. He was not only a man of initiative and energy in the field of business affairs, but always ready to assist in public improvements and the moral and civic advancement of the community. In the midst of a most busy life he found time for and his greatest delight in books and the study of history and archaeology, especially of Ohio and his home locality. He was most active in the Firelands Historical Society, of which for many years previous to his death he was the president and guiding spirit. It was mainly through his influence that that Society secured the beautiful museum and library building that now houses the valuable collection of books and relics in his home town. As a trustee of the Ohio State Archaeological and Historical Society he evinced the deepest and most enthusiastic interest in its work and growth.



Descended from the best New England stock, Mr. Gallup inherited many of the traits of the sturdy and stolid Puritan. He was decided in his views, and undaunted in the expression of them; rigidly adherent to his own convictions yet sympathetic and helpful to others, he was typical of that class of rugged, self-assertive but indomitable and achieving laborers and leaders; a class, that is rapidly vanishing from this day and generation, but whose memory and influence will long remain.

### OHIO INTERROGATION POINTS.

The Auditor of State, Mr. A. V. Donahey, has issued from his Department of Statistics a pamphlet of some sixty pages, entitled "Ohio Interrogation Points," embracing one hundred questions and answers concerning the history, government—political, judicial, agriculture—and other fields of information pertaining to the state, information for which the ordinary citizen and especially school children are likely to ask.

It is especially adapted for the use of Ohio high schools and colleges, and as its title page announces has for its purpose "To increase interest among voters and others in the government of the Buckeye State." Almost every topic, concerning which, one, at some time or another, wishes to inquire about, is here concisely and accurately treated; the dates of the chief events in our state history, passage of important laws, leading personages in the growth of the state, historic sites, Indian tribes and heroes, and whatnot too numerous to mention. It is a veritable and valuable encyclopedia of Ohiana in a nutshell.

Such a little "vade-mecum" has long been wanted and it was a happy thought that inspired its production.

The material was gathered, arranged and admirably indexed by Mr. J. W. Tannehill, Statistician in the Auditor's office. No one could be better qualified for this service. Mr. Tannehill was for six years a successful teacher and for seventeen years editor of the Morgan County Democrat, McConnellsville. He had learned just what the scholars and teachers needed and his editorial experience and training qualified him for putting the material of his research into clear and condensed form. Mr. Tannehill was a member of the Ohio Constitutional Convention of 1912 and thus acquired at first hand a fund of knowledge concerning the state government, its establishment, development and the various features of its history; he therefore speaks with authority on any of the topics treated in this production. Mr. Tannehill, it might be added, was the proponent of the amendment Section 7, Article 5 in the new constitution, providing for the direct primary election.

Mr. Donahey is to be commended for authorizing the publication of this pamphlet, and he was particularly fortunate in securing Mr. Tannehill as editor.

The "Ohio Interrogation Points" is for free distribution on application to the Auditor of State.



## INDEX TO VOLUME XXIV.

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